

Registered number: 08830819

**CHALKHILL LIFE HOLDINGS LIMITED
& SUBSIDIARY UNDERTAKINGS**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023



**LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB**

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

COMPANY INFORMATION

Directors	D L Strothers W Goh (appointed 13 March 2024)
Registered number	08830819
Registered office	6th Floor St Magnus House 3 Lower Thames Street London EC3R 6HD
Independent auditors	Lubbock Fine LLP Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

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CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The directors present the Strategic report, Directors' report and the consolidated financial statements of Chalkhill Life Holdings Limited (the 'Company') and subsidiary undertakings (the 'Group') for the year ended 31 March 2023.

Business review and key performances indicators

The directors consider the turnover and operating profit to be the key performance indicators of the Group. Turnover for the Group was £15,666,105 (2022: £13,928,454), with an operating profit of £2,870,666 (2022: £1,816,539). The increase in turnover is largely driven by higher electricity prices in the year caused by inflation in the UK. UK inflation in the 12 months to March 2023 was at 13.5%. The Group has benefited from these increased prices in its merchant revenue sold at wholesale market prices. The Group's revenues, in particular government subsidies such as Feed-In-Tariffs (FiTs) and Renewable Obligation Certificates (ROCs), are indexed linked and therefore protected against inflation.

Principal risks and uncertainties

Management frequently assesses the risks of the business and adjusts the strategy and policies accordingly. Electricity generation is the Group's principal activity and technical availability of the equipment to produce electricity is a key risk. This risk is minimised through the appointment of operations and maintenance contractors with qualified and competent staff who carry out both preventive and reactive maintenance throughout the year. Further to this, via direct access to the electricity meters on site, the asset management company, Infram, verify the information provided is programmed to automatically raise alarm when a site's generation is not in line with expectations. This facilitates fast response times and allows for proactive monitoring of the equipment.

Credit risk

The Group has loan facilities. The historic and forecast cover ratios of the loans are regularly tested and reported to the lenders on a six-monthly basis.

Trade debtors are actively managed to ensure that payments are received within the contracted terms.

Cash Flow and Liquidity risk

The majority of project revenues and cost in the underlying Group are contracted and can be forecast accurately. This ensures that debts covenants are met with required balances and adequate levels of working capital maintained. A large proportion of the Group's income comes from long term renewable energy incentives which give a secure and dependable cash flow. Any potential issues can be foreseen and remedied through the regular review of the forecast position, allowing the Group to make arrangements in good time in the event of a liquidity issue.

Going concern risk

The directors have reviewed the Group's latest forecasts and the directors have reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The directors have not identified any material uncertainties that could cast significant doubt about the Company's ability to adopt the going concern basis of accounting for a period of at least 12 months from the date at which the financial statement are authorised for issue. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Financial key performance indicators

The directors consider the turnover and operating profit to be the key performance indicators of the Group. Turnover for the Group was £15,666,105 (2022: £13,928,454), with an operating profit of £2,870,666 (2022: £1,816,539).

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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



**W Goh
Director**

Date: 21 March 2024

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company in the year under review was that of a holding company that holds interests either directly, or through holding companies, in trading Investee Companies ("ICs") (together "the group"). The group is in turn made up of seventeen "sub groups" of companies. The ICs undertake a range of operational activities involving the generation of electricity from solar PV panels at solar farms, or located on commercial or domestic rooftops.

Results and dividends

The loss for the year, after taxation, amounted to £7,605,400 (2022 - loss £5,165,017).

No dividends will be distributed for the year ended 31 March 2023

Directors

The directors who served during the year were:

M A Swanston (resigned 13 March 2024)
D L Strothers
T W Moore (resigned 5 October 2022)

The following director was appointed after the year end:

W Goh (appointed 13 March 2024)

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Disclosure of information to auditors

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

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

Post balance sheet events

Refer to note 22 in the accounts

Auditors

Under section 487(2) of the Companies Act 2006, Lubbock Fine LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



W Goh
Director

Date: 21 March 2024

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

Opinion

We have audited the financial statements of Chalkhill Life Holdings Limited & Subsidiary Undertakings (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

- The nature of the sector and the impact of Covid 19 on financial and operating performance and policies;
- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with entities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of revenue recognition, management override and bank covenants. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- reviewing revenue recognition on a sample basis;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS (CONTINUED)

are unusual or outside the normal course of the company's operations;

- review of covenants in place with external lenders to ensure no breaches during the period and checking calculations of covenants reported to lenders to ensure correct these are correct.

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

Use of our report

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

Matthew Green

Matthew Green (Senior Statutory Auditor)

for and on behalf of
Lubbock Fine LLP

Chartered Accountants & Statutory Auditors

Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB
Date: 22 March 2024

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	15,666,105	13,928,454
Cost of sales		(93,905)	(122,206)
Gross profit		<u>15,572,200</u>	<u>13,806,248</u>
Administrative expenses		(12,701,534)	(11,989,709)
Operating profit	5	<u>2,870,666</u>	<u>1,816,539</u>
Income from shares in group undertakings		-	6,167
Interest payable and similar expenses	8	(10,087,830)	(6,741,191)
Loss before taxation		<u>(7,217,164)</u>	<u>(4,918,485)</u>
Tax on loss	9	(388,236)	(246,532)
Loss for the financial year		<u>(7,605,400)</u>	<u>(5,165,017)</u>
Total comprehensive income for the year		<u>(7,605,400)</u>	<u>(5,165,017)</u>
(Loss) for the year attributable to:			
Owners of the parent Company		(7,605,400)	(5,165,017)
		<u>(7,605,400)</u>	<u>(5,165,017)</u>

The notes on pages 16 to 34 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	10	5,100,583	6,193,565
Tangible assets	11	60,027,772	66,653,151
		<u>65,128,355</u>	<u>72,846,716</u>
Current assets			
Debtors: amounts falling after one year	13	359,093	340,138
Debtors amounts falling due within one Year	13	7,585,202	5,903,405
Cash at bank and in hand	14	11,671,790	12,187,215
		<u>19,616,085</u>	<u>18,430,758</u>
Creditors: amounts falling due within one year	15	(5,018,900)	(6,199,148)
Net current assets		<u>14,597,185</u>	<u>12,231,610</u>
Total assets less current liabilities		<u>79,725,540</u>	<u>85,078,326</u>
Creditors: amounts falling due after more than one year	16	(87,334,542)	(85,470,165)
Provisions for liabilities			
Deferred taxation	18	(592,283)	(204,046)
		<u>(592,283)</u>	<u>(204,046)</u>
Net liabilities		<u>(8,201,285)</u>	<u>(595,885)</u>
Capital and reserves			
Called up share capital	19	417,941	417,941
Share premium account		48,229,605	48,229,605
Profit and loss account		(56,848,831)	(49,243,431)
		<u>(8,201,285)</u>	<u>(595,885)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 March 2024



W Goh
Director

The notes on pages 16 to 34 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	12	5	5
		<u>5</u>	<u>5</u>
Current assets			
Debtors: amounts falling due within one year	13	49,660,434	40,483,382
Cash at bank and in hand	14	21,827	2,401,785
		<u>49,682,261</u>	<u>42,885,167</u>
Creditors: amounts falling due within one year	15	(1,137,337)	(116,874)
Net current assets		<u>48,544,924</u>	<u>42,768,293</u>
Total assets less current liabilities		<u>48,544,929</u>	<u>42,768,298</u>
Creditors: amounts falling due after more than one year	16	(18,006,917)	(12,004,418)
Net assets excluding pension asset		<u>30,538,012</u>	<u>30,763,880</u>
Net assets		<u><u>30,538,012</u></u>	<u><u>30,763,880</u></u>
Capital and reserves			
Called up share capital	19	417,941	417,941
Share premium account		48,229,605	48,229,605
Profit and loss account brought forward		(17,883,666)	(18,240,718)
Loss/(profit) for the year		<u>(225,868)</u>	<u>357,052</u>
Profit and loss account carried forward		<u>(18,109,534)</u>	<u>(17,883,666)</u>
		<u><u>30,538,012</u></u>	<u><u>30,763,880</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



W Goh
Director

Date: 21 March 2024

The notes on pages 16 to 34 form part of these financial statements.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	417,941	48,229,605	(44,078,414)	4,569,132
Comprehensive income for the year				
Loss for the year	-	-	(5,165,017)	(5,165,017)
Total comprehensive income for the year	-	-	(5,165,017)	(5,165,017)
Total transactions with owners	-	-	-	-
At 1 April 2022	417,941	48,229,605	(49,243,431)	(595,885)
Comprehensive income for the year				
Loss for the year	-	-	(7,605,400)	(7,605,400)
Total comprehensive income for the year	-	-	(7,605,400)	(7,605,400)
Total transactions with owners	-	-	-	-
At 31 March 2023	417,941	48,229,605	(56,848,831)	(8,201,285)

The notes on pages 16 to 34 form part of these financial statements.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2021	417,941	48,229,605	(18,240,718)	30,406,828
Comprehensive income for the year				
Profit for the year	-	-	357,052	357,052
Total comprehensive income for the year	-	-	357,052	357,052
Total transactions with owners	-	-	-	-
At 1 April 2022	417,941	48,229,605	(17,883,666)	30,763,880
Comprehensive income for the year				
Loss for the year	-	-	(225,868)	(225,868)
Total comprehensive income for the year	-	-	(225,868)	(225,868)
Total transactions with owners	-	-	-	-
At 31 March 2023	417,941	48,229,605	(18,109,534)	30,538,012

The notes on pages 16 to 34 form part of these financial statements.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Loss for the financial year	(7,605,400)	(5,165,017)
Adjustments for:		
Amortisation of intangible assets	1,092,982	1,092,982
Depreciation of tangible assets	6,617,523	6,643,247
Loss on disposal of tangible assets	(16,848)	(95,056)
Interest paid	10,087,829	6,741,191
(Increase) in debtors	(660,370)	(1,335,408)
Increase/(decrease) in creditors	2,122,734	(130,698)
Dividend received	-	(6,167)
Taxation	388,236	246,532
Net cash generated from operating activities	<u>12,026,686</u>	<u>7,991,606</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(17,963)
Sale of tangible fixed assets	24,704	361,171
Dividends received	-	6,167
Net cash from investing activities	<u>24,704</u>	<u>349,375</u>
Cash flows from financing activities		
Repayment of loans	(7,535,061)	(1,109,497)
New loans to group undertakings	(2,667,453)	-
New loans from group companies	7,723,528	-
Interest paid	(10,087,829)	(6,741,191)
Net cash used in financing activities	<u>(12,566,815)</u>	<u>(7,850,688)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(515,425)</u>	<u>490,293</u>
Cash and cash equivalents at beginning of year	12,187,215	11,696,922
Cash and cash equivalents at the end of year	<u>11,671,790</u>	<u>12,187,215</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>11,671,790</u>	<u>12,187,215</u>

The notes on pages 16 to 34 form part of these financial statements.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023**

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	12,187,215	(515,425)	11,671,790
Bank overdrafts	(6)	6	-
Debt due after 1 year	(73,465,747)	4,138,123	(69,327,624)
Debt due within 1 year	(4,194,023)	3,373,295	(820,728)
	<u>(65,472,561)</u>	<u>6,995,999</u>	<u>(58,476,562)</u>

The notes on pages 16 to 34 form part of these financial statements.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Chalkhill Life Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 08830819. The registered office address and principal place of business is 6th Floor, St Magnus House, 3 Lower Thames Street, London, England, EC3R 6HD. The figures have been rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The directors have adopted the going concern basis in preparing the financial statements. In assessing whether the going concern assumption is appropriate, the directors have taken into account all relevant information about the future.

The directors have prepared forecast based on models covering 26 years and reviewed capital requirements and debt covenants for twelve months from the date of approval of these financial statements. The directors are comfortable that the group can continue to trade for at least twelve months from the date of approval of these accounts. The directors have assessed that the group is not likely to breach any debt covenants based on the forecasting performed.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue represents amounts receivable for energy generated and management charges in the year net of any applicable value added tax. Any uninvoiced income is accrued in the period in which it has been generated.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Finance costs

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

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.8 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
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2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Solar installations	-	5% Straight line basis
Inverters and cabling	-	10% Straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.15 Financial instruments

The Group has elected to apply the provisions of Section 11. "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparations of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for the assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses for the year. However, the nature of estimation means that actual outcomes could differ from these estimates.

There are no key sources of estimation uncertainty or judgements made in applying accounting policies.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Electricity revenue	6,180,090	5,411,262
Roc Buyout revenue	5,298,708	5,394,878
NIROC Buyout revenue	1,970,032	2,184,985
Roc Recycle revenue	1,356,833	791,095
Other income	860,442	146,234
	<u>15,666,105</u>	<u>13,928,454</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	<u>15,666,105</u>	<u>13,928,454</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation - owned assets	6,617,523	6,643,247
Goodwill amortisation	1,092,982	1,092,982
Other operating lease rentals	485,445	437,083
Auditors' remuneration	<u>289,918</u>	<u>114,998</u>

6. Auditors' remuneration

Fees payable to the Group's auditors and its associates in respect of:

	2023 £	2022 £
Audit-related assurance services	326,542	114,998

7. Employees

The Group and Company have no employees other than the directors, who did not receive any remuneration (2022 - £NIL).

CHALKHILL LIFE HOLDINGS LIMITED, & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

8. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	8,258,831	4,976,151
Loans from group undertakings	1,828,999	1,765,040
	<u>10,087,830</u>	<u>6,741,191</u>

9. Taxation

	2023 £	2022 £
Deferred tax		
Origination and reversal of timing differences and losses	388,236	246,532
Total deferred tax	<u>388,236</u>	<u>246,532</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2022 - the same as) the standard rate of corporation tax in the UK of 19% (2022 - 19%) as set out below:

	2023 £	2022 £
Loss on ordinary activities before tax	(7,217,164)	(4,918,485)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(1,371,261)	(934,512)
Effects of:		
Non-tax deductible amortisation of goodwill and depreciation	1,464,996	1,469,884
Capital allowances for year in excess of depreciation	(629,333)	(669,453)
Unrelieved tax losses carried forward	535,598	134,081
Deferred tax on assessed losses not raised	388,236	246,532
Total tax charge for the year	<u>388,236</u>	<u>246,532</u>

Factors that may affect future tax charges

On 24th May 2021 the Chancellor announced that corporation tax rates would increase to 25% from 1st April 2023 and this was enacted in October 2021. Therefore, deferred tax for the current period was calculated at 25%. The group has estimated tax losses of approximately of £67.8m (2022: £51.1m) to carry forward.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

10. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 April 2022	10,929,820
At 31 March 2023	<u>10,929,820</u>
Amortisation	
At 1 April 2022	4,736,255
Charge for the year on owned assets	1,092,982
At 31 March 2023	<u>5,829,237</u>
Net book value	
At 31 March 2023	<u><u>5,100,583</u></u>
At 31 March 2022	<u><u>6,193,565</u></u>

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

11. Tangible fixed assets

Group

	Plant and machinery £
Cost or valuation	
At 1 April 2022	96,104,714
Disposals	(13,362)
At 31 March 2023	<u>96,091,352</u>
Depreciation	
At 1 April 2022	29,451,563
Charge for the year on owned assets	6,617,523
Disposals	(5,506)
At 31 March 2023	<u>36,063,580</u>
Net book value	
At 31 March 2023	<u><u>60,027,772</u></u>
At 31 March 2022	<u><u>66,653,151</u></u>

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	<u>5</u>
At 31 March 2023	<u><u>5</u></u>

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

12. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Deeside Solar Farm Limited	England	Electricity generation	Ordinary	100%
Brown Argus Trading Limited	England	Lending	Ordinary	100%
Chalkhill Commercial PV Limited	England	Electricity generation	Ordinary	100%
Ringleet Trading Limited	England	Feedstock supplier/trader	Ordinary	100%
Solar Finco 3 Limited	England	Holding company	Ordinary	100%

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

12. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Abercomyn Solar Limited	England	Electricity generation	Ordinary	100%
Appleton Renewables Limited	England	Holding company	Ordinary	100%
Appleton Renewable Energy Limited	England	Electricity generation	Ordinary	100%
Andover Airfield Solar Developments Limited	England	Electricity generation	Ordinary	100%
Beeston Solar Limited	England	Holding company	Ordinary	100%
Beeston Solar Energy Limited	England	Electricity generation	Ordinary	100%
Brookside Solar Limited	England	Electricity generation	Ordinary	100%
Emerald Isle Solar Limited	England	Holding company	Ordinary	100%
Emerald Isle Solar Energy Limited	England	Electricity generation	Ordinary	100%
Greenacre Solar Limited	England	Holding company	Ordinary	100%
Greenacre Redbridge Limited	England	Electricity generation	Ordinary	100%
Greenacre Solar Energy Limited	England	Electricity generation	Ordinary	100%
Heulwen Solar Limited	England	Electricity generation	Ordinary	100%
Hulse Energy Limited	England	Electricity generation	Ordinary	100%
Hulse Renewable Energy Limited	England	Electricity generation	Ordinary	100%
Moray Power Limited	England	Holding company	Ordinary	100%
Moray Power (UK) Limited	England	Electricity generation	Ordinary	100%
Moray Energy Limited	England	Electricity generation	Ordinary	100%
KPP132 Limited	England	Electricity generation	Ordinary	100%
Newton Solar Limited	England	Holding company	Ordinary	100%
Newton Solar Energy Limited	England	Electricity generation	Ordinary	100%
Penarth Energy Limited	England	Holding company	Ordinary	100%
Bourne Park Solar Limited	England	Electricity generation	Ordinary	100%
Ridgeway Solar Limited	England	Holding company	Ordinary	100%
Ridgeway Solar Energy Limited	England	Electricity generation	Ordinary	100%
TGC Solar Oakfield Limited	England	Electricity generation	Ordinary	100%
ROC Solar Limited	England	Holding company	Ordinary	100%
ROC Solar (UK) Limited	England	Electricity generation	Ordinary	100%
Solar Finco 1 Limited	England	Holding company	Ordinary	100%
Solar Finco 2 Limited	England	Holding company	Ordinary	100%
Triumph Solar Limited	England	Holding company	Ordinary	100%
Triumph Solar Energy Limited	England	Electricity generation	Ordinary	100%
Triumph Renewable Energy Limited	England	Electricity generation	Ordinary	100%
KPP141 Limited	England	Electricity generation	Ordinary	100%
Voltaise Limited	England	Holding company	Ordinary	100%
Voltaise (UK) Limited	England	Electricity generation	Ordinary	100%
Wakehurst Renewables Limited	England	Electricity generation	Ordinary	100%

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

12. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Wakehurst Renewable Energy Limited	England	Electricity generation	Ordinary	100%
York Renewables Limited	England	Electricity generation	Ordinary	100%
York Renewable Energy Limited	England	Electricity generation	Ordinary	100%
York NIHE Limited	England	Electricity generation	Ordinary	100%
Flexible Power Limited	England	Financial intermediation	Ordinary	100%

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

13. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due after more than one year				
Trade debtors	359,093	180,530	-	-
Other debtors	-	159,608	-	-
	<u>359,093</u>	<u>340,138</u>	<u>-</u>	<u>-</u>
	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due within one year				
Trade debtors	342,767	148,226	-	-
Amounts owed by group undertakings	953,689	20,000	49,348,407	40,140,832
Other debtors	335,334	177,913	46,695	77,218
Prepayments and accrued income	5,953,412	5,557,266	265,332	265,332
	<u>7,585,202</u>	<u>5,903,405</u>	<u>49,660,434</u>	<u>40,483,382</u>

14. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	11,671,790	12,187,215	21,827	2,401,785
Less: bank overdrafts	-	(6)	-	-
	<u>11,671,790</u>	<u>12,187,209</u>	<u>21,827</u>	<u>2,401,785</u>

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

15. Creditors: Amounts falling due within one year

	Group	Group	Company	Company
	2023	2022	2023	2022
	£	£	£	£
Bank overdrafts	-	6	-	-
Bank loans	820,728	4,194,023	428,973	-
Trade creditors	471,585	711,348	55,621	76,651
Amounts owed to group undertakings	547,863	-	626,237	-
Corporation tax	12,200	12,200	-	-
Other taxation and social security	35,932	-	-	-
Other creditors	553,522	1,621	6	6
Accruals and deferred income	2,577,070	1,279,950	26,500	40,217
	<u>5,018,900</u>	<u>6,199,148</u>	<u>1,137,337</u>	<u>116,874</u>

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	69,327,624	73,465,747	-	-
Amounts owed to parent	18,006,918	12,004,418	18,006,917	12,004,418
	<u>87,334,542</u>	<u>85,470,165</u>	<u>18,006,917</u>	<u>12,004,418</u>

The loan payable to DORE Holdco Limited, the parent, totalling £18,006,918 (2022: £12,004,418) incurs interest at a rate of 8% p.a, is repayable upon demand with a final repayment date of 1 June 2026.

The following liabilities were secured:

	Group 2023 £	Group 2022 £
Bank loans	<u>69,719,379</u>	<u>78,656,687</u>

Details of security provided:

Loan payable to third parties are carried at amounts repayable net of applicable debt costs incurred and being amortised over the term of the loans. The loans are secured by debentures and charges over the fixed assets and shares of the group entities.

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

	Group 2023 £	Group 2022 £
Repayable by instalments	<u>69,719,379</u>	<u>78,656,687</u>

The bank loans are repayable by September 2034 and are subject to interest charges at floating (RPI-Linked) of 0.862% p.a. and fixed interest charges of 3.37% p.a. In addition, bank loans are subject to indexation which is accounted for as interest.

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

17. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial assets				
Financial assets measured at fair value through profit or loss	6,958,316	6,100,316	51,408,385	40,406,164
Financial liabilities				
Financial liabilities measured at amortised cost	93,441,136	91,654,817	17,528,443	12,118,996

Financial assets measured at amortised cost comprise of trade debtors, amounts receivable from related parties, other debtors, prepayments and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, amount payable to related parties, other creditors excluding taxation, accruals and bank loans and overdrafts

18. Deferred taxation

Group

	2023 £	2022 £
At beginning of year	(204,046)	42,486
Charged to profit or loss	(388,237)	(246,532)
At end of year	(592,283)	(204,046)
	Group 2023 £	Group 2022 £
Accelerated capital allowances	(2,062,125)	(2,861,945)
Tax losses carried forward	1,469,842	2,657,899
	(592,283)	(204,046)

19. Share capital

	2023 £	2022 £
Authorised, allotted, called up and fully paid		
41,794,121 (2022 - 41,794,121) Ordinary shares of £0.01 each	417,941	417,941

CHALKHILL LIFE HOLDINGS LIMITED & SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

20. Commitments under operating leases

At 31 March 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Not later than 1 year	441,320	445,565
Later than 1 year and not later than 5 years	1,765,281	5,737,162
Later than 5 years	5,737,162	6,248,341
	<u>7,943,763</u>	<u>12,431,068</u>

21. Related party transactions

The company is exempt from disclosing transactions with its wholly owned subsidiaries.

Capital Partners LLP is a related party due to its significant influence over the group. At 31 March 2023 £nil (2022: £66,592) was owed to Oxford Capital Partners in relation to fees charged.

During the year fees amounting to £nil (2022: £741,450) were charged by Downing LLP, a related party due to its significant influence over the group. At 31 March 2023 £nil (2022: £282,344) was owed to Downing LLP.

22. Post balance sheet events

On the 23rd April 2023, the Company acquired 100% of the share capital of Occasum, for total consideration of £12,733,722.

23. Controlling party

The ultimate controlling party is DORE Holdco Limited, a company incorporated in England and Wales. The consolidated financial statements of DORE Holdco Limited can be obtained from that company's registered office: 6th Floor, St Magnus House, 3 Lower Thames Street, London, England, EC3R 6HD.