

Financial Statements



Statement of Comprehensive Income

For the year from 1 January 2023 to 31 December 2023

		Revenue 31 December 2023	Capital 31 December 2023	Total 31 December 2023	Revenue 31 December 2022	Capital 31 December 2022	Total 31 December 2022
	Notes	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Income							
Return on investment	5	10,872	(564)	10,308	8,044	28,058	36,102
Total income		10,872	(564)	10,308	8,044	28,058	36,102
Expenses							
Investment management fees	4	(2,043)	–	(2,043)	(1,781)	–	(1,781)
Directors' fees	18 & 22	(150)	–	(150)	(125)	–	(125)
Other expenses	6	(1,191)	–	(1,191)	(1,001)	–	(1,001)
Total expenses		(3,384)	–	(3,384)	(2,907)	–	(2,907)
Profit before taxation		7,488	(564)	6,924	5,137	28,058	33,195
Taxation	7	–	–	–	–	–	–
Profit after taxation		7,488	(564)	6,924	5,137	28,058	33,195
Profit and total comprehensive income attributable to:							
Equity holders of the Company		7,488	(564)	6,924	5,137	28,058	33,195
Earnings per share – Basic & diluted (pence)	8	4.1	(0.3)	3.8	3.2	17.4	20.6

The total column of this statement is the Statement of Comprehensive Income of the Company prepared in accordance with International Financial Reporting Standards (IFRS) as adopted. The supplementary revenue return and capital columns have been prepared in accordance with the Association of Investment Companies Statement of Recommended Practice (AIC SORP).

Statement of Financial Position

As at 31 December 2023

	Notes	31 December 2023 £'000s	31 December 2022 £'000s
Non-current assets			
Investments at fair value through profit and loss	9	212,030	196,866
		212,030	196,866
Current assets			
Trade and other receivables	10	337	567
Cash and cash equivalents	15	1,778	23,328
		2,115	23,895
Total assets		214,145	220,761
Current liabilities			
Trade and other payables	11	(2,083)	(1,862)
		(2,083)	(1,862)
Total liabilities		(2,083)	(1,862)
Net assets		212,062	218,899
Capital and reserves			
Called up share capital	12	1,846	1,846
Share Premium		65,910	65,910
Special distributable reserve	13	107,341	114,618
Treasury Account	12	(4,065)	–
Revenue reserve		6,209	1,140
Capital reserve		34,821	35,385
Shareholders' funds		212,062	218,899
Net asset value per ordinary share (pence)	14	117.65	118.57

The audited financial statements of Downing Renewables & Infrastructure Trust PLC were approved by the Board of Directors and authorised for issue on 10 April 2024 and are signed on behalf of the Board by:



Hugh W M Little
Chair

Company registration number 12938740

Statement of Changes in Equity

For the year ending 31 December 2023

	Notes	Share Capital £'000s	Share Premium £'000s	Capital Reserve £'000s	Treasury Account £'000s	Revenue Reserve £'000s	Special Distributable Reserve £'000s	Total £'000s
Net cash attributable to shareholders at 31 December 2021		1,370	14,506	7,327	-	203	118,436	141,841
Gross proceeds from share issue		476	52,375	-	-	-	-	52,851
Share issue costs		-	(971)	-	-	-	22	(949)
Dividends		-	-	-	-	(4,201)	(3,840)	(8,041)
Total comprehensive income for the year		-	-	28,058	-	5,137	-	33,195
Net assets attributable to shareholders at 31 December 2022		1,846	65,910	35,385	-	1,140	114,618	218,899
Share issue costs	12	-	-	-	-	-	-	-
Shares bought back	12	-	-	-	(4,065)	-	-	(4,065)
Dividends	20	-	-	-	-	(2,419)	(7,277)	(9,696)
Total comprehensive income for the year		-	-	(564)	-	7,488	-	6,924
Net assets attributable to shareholders at 31 December 2023		1,846	65,910	34,821	(4,065)	6,209	107,341	212,062

The Company's distributable reserves consist of the Special distributable reserve, Capital reserve attributable to realised gains and Revenue reserve. There have been no realised gains or losses at the reporting date. Total reserves available for distribution were £113,897k (2022: £115,756k).

Statement of Cash Flows

For the year ending 31 December 2023

		Year to 31 December 2023	Year to 31 December 2022
	Notes	£000s	£000s
Cash flows from operating activities			
Profit before taxation		6,924	33,195
Adjusted for:			
Interest income	5	(9,872)	(7,792)
Unrealised loss / (gain) on investments at fair value	5	564	(28,058)
Decrease / (Increase) in receivables		230	(285)
Increase in payables		221	661
Net cash outflows from operating activities		(1,933)	(2,279)
Cash flows from investing activities			
Loan advanced to DORE Holdco Limited	9	(17,356)	(38,008)
Loan Interest Received	9	11,500	8,500
Net cash outflows from investing activities		(5,856)	(29,508)
Cash flows from financing activities			
Gross proceeds of share issue	12	–	52,852
Amounts paid in respect of share buybacks		(4,065)	–
Dividends paid	20	(9,696)	(8,041)
Share issue costs		–	(949)
Net cash flows from financing activities		(13,761)	43,862
Decrease in cash and cash equivalents		(21,550)	12,074
Cash and cash equivalents at the start of the year		23,328	11,254
Cash and cash equivalents at the end of the year	15	1,778	23,328

Notes to the Financial Statements

For the year ending 31 December 2023

1. General Information

The Company is registered in England and Wales under number 12938740 pursuant to the Companies Act 2006 and its registered office Link Company Matters Limited 6th Floor, 65 Gresham Street, London, United Kingdom, EC2V 7NQ.

The Company was incorporated on 8 October 2020 and is a Public Limited Company and the ultimate controlling party of the Group. The Company's ordinary shares were first admitted to the premium segment of the Financial Conduct Authority's Official List and to trading on the Main Market of the London Stock Exchange under the ticker DORE on 10 December 2020.

The audited financial statements of the Company (the "financial statements") are for the period from 1 January 2023 to 31 December 2023 and comprise only the results of the Company, as all of its subsidiaries are measured at fair value in line with IFRS 10 as disclosed in note 2.

The Company's objective is to generate an attractive total return for investors comprising stable dividend income and capital preservation, with the opportunity for capital growth through the acquiring and realising value from a diverse portfolio of renewable energy infrastructure projects.

The Company currently makes its investments through its principal holding company and single subsidiary, DORE Hold Co Limited ("Hold Co"), and intermediate holding companies which are directly owned by the Hold Co. The Company controls the Investment Policy of each of the Hold Co and its intermediate holding companies in order to ensure that each will act in a manner consistent with the Investment Policy of the Company.

The Company has appointed Downing LLP as its Investment Manager (the "Investment Manager") pursuant to the Investment Management Agreement dated 12 November 2020. The Investment Manager is registered in England and Wales under number OC341575 pursuant to the Companies Act 2006. The Investment Manager is regulated by the FCA, number 545025.

2. Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have also been prepared as far as is relevant and applicable to the Company to the extent that this does not conflict with the requirements of IFRS and in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in October 2019 by the Association of Investment Companies ("AIC").

The financial statements are prepared on the historical cost basis, except for the revaluation of certain financial instruments at fair value through profit or loss. The principal accounting policies adopted are set out below. These policies are consistently applied.

The financial statements are presented in Sterling, which is the Company's functional currency and are rounded to the nearest thousand, unless otherwise stated.

Notes to the Financial Statements continued

For the year ending 31 December 2023

2. Basis of preparation (Continued)

Estimates and underlying assumptions are reviewed regularly on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future year affected. The key assumptions are detailed below:

Power Prices

The Company uses long-term, forward-looking power price forecasts from third party consultants for the purposes of asset valuations. In the UK an equal blend is taken from the most recent central case forecasts from two leading consultants, whilst in Sweden an equal blend is taken from the most recent central case forecasts from three leading consultants. This is then blended with actual pricing for forward market trades for the next 4 years in Sweden and the next 3 years in the UK enabling a more holistic view of the power market to be included in the valuation. Where fixed price arrangements are in place, the financial model will reflect this price for the relevant time frame.

Inflation

The Company uses near-term (calendar year 2024) inflation forecast of 3.46% for the purposes of UK asset valuations, falling to a medium-term inflation forecast of 3.00% from 2025. From 2030 onwards, this forecast reduces to 2.25% in line with the RPI reform announced by the UK Government.

A near-term inflation (calendar year 2024) forecast of 4.60% is used for the Swedish asset valuations. The forecast in the medium term (2025 onwards) to long term reduces to 2.00%, in line with the long term Swedish central bank's target inflation rate.

Foreign Exchange

Cashflows from assets that are generated in a non-sterling currency are converted in each period they are earned using the actual hedges in place, with the residual amounts converted at the relevant exchange rate.

The relevant exchange rate is taken from a forward curve provided by the Company's foreign exchange advisors for ten years, at which point the exchange rate is held constant due to the impracticalities of hedging currency further into the future.

Discount rate

Discount rates used for the purpose of the valuation process are representative of the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile.

As a result of movements in the risk-free rate in the UK, the weighted average discount rate of the Solar portfolio increased by 0.2% to 8.0%. The increased discount rates took effect as at 30 June 2023.

Discount rates in use across the portfolio range from 6.3% to 8.05%, with the weighted average value at 7.7%.

The significant estimates, judgement or assumptions for the year are set out in further detail on page 135.

Notes to the Financial Statements continued

For the year ending 31 December 2023

2. Basis of preparation (Continued)

Basis of Consolidation

The sole objective of the Company through its subsidiary DORE Hold Co Limited is to own Renewable Energy Infrastructure Projects, via individual corporate entities. Hold Co typically will issue equity and loans to finance its investments.

The Directors have concluded that in accordance with IFRS 10, the Company meets the definition of an investment entity having evaluated the criteria that needs to be met (see below). Under IFRS 10, investment entities are required to hold subsidiaries at fair value through profit or loss rather than consolidate them on a line-by-line basis, meaning Hold Co's cash, debt and working capital balances are included in the fair value of the investment rather than in the Company's assets and liabilities. Hold Co has one investor which is the Company. However, in substance, Hold Co is investing the funds of the investors of the Company on its behalf and is effectively performing investment management services on behalf of many unrelated beneficiary investors.

Characteristics of an investment entity

There are three key conditions to be met by the Company for it to meet the definition of an investment entity. For each reporting year, the Directors will continue to assess whether the Company continues to meet these conditions:

- > It obtains funds from one or more investors for the purpose of providing these investors with professional investment management services;
- > It commits to its investors that its business purpose is to invest its funds solely for the returns (including having an exit strategy for investments) from capital appreciation, investment income or both; and
- > It measures and evaluates the performance of substantially all its investments on a fair value basis.

In satisfying the second criterion, the notion of an investment timeframe is critical. An investment entity should not hold its investments indefinitely but should have an exit strategy for their realisation. The Company intends to hold its renewable energy infrastructure assets for the remainder of their useful life to preserve the capital value of the portfolio. However, as the renewable energy infrastructure assets are expected to have no residual value after their useful lives, the Directors consider that this demonstrates a clear exit strategy from these investments.

Due to the nature of hydro as an asset class and where the land is owned with the asset, which is the case for the Swedish hydro assets the assets are deemed to have an infinite life assuming an appropriate level of capex to maintain the equipment and dams. As a result, valuations are based on a perpetual life where the model assumes the portfolio is sold in 2050.

Subsidiaries are therefore measured at fair value through profit or loss, in accordance with IFRS 13 "Fair Value Measurement", IFRS 10 "Consolidated Financial Statements" and IFRS 9 "Financial Instruments".

The Directors believe the treatment outlined above provides the most relevant information to investors.

Notes to the Financial Statements continued

For the year ending 31 December 2023

2. Basis of preparation (Continued)

Going concern

The Directors have adopted the going concern basis in preparing the Annual Report. The following is a summary of the Director's assessment of going concern status of the Company. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows. As at 31 December 2023, the Company had net assets of £212.1 (2022: £218.9) million including cash balances of £1.8 (2022: £23.3) million. The Group, through its' unconsolidated subsidiaries, utilised EUR 49.4 million of its facility with SEB to help fund the additional hydropower acquisitions. Through its main subsidiary, DORE Hold Co Limited, the Company has access to a RCF of £40 million which is available for either new investments or investment in existing projects and working capital. At the reporting date £18.6m had been drawn down from the RCF.

The Directors and the Investment Manager continue to actively monitor this and its potential effect on the Company and its investments.

In particular, they have considered the following specific key potential impacts:

- > Unavailability of key personnel at the Investment Manager or Fund Administrator; and
- > Increased volatility in the fair value of investments.

The directors have considered the impact of the Ukraine war on SPV revenues, which are derived from the sale of electricity, and note that 65% of revenues are not exposed to floating power prices. Revenue is received through power purchase agreements in place with providers of electricity to the market and also through government subsidies. In the year since acquisition and up to the date of this report, there has been no significant impact on revenue and cash flows of the SPVs. The SPVs have contractual operating and maintenance agreements in place with large and reputable providers. Therefore, the Directors and the Investment Manager do not anticipate a threat to the Group's revenue.

The Directors have reviewed Company forecasts and projections which cover a period of 5 years from the date of approval of this report, considering foreseeable changes in investment and trading performance, which show that the Company has sufficient financial resources to continue in operation for 5 years from the date of approval of this report. The directors have considered the impact of the current economic environment in their review, assessing three scenarios with different levels of investment and cash flows. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation and accordingly. They continue to adopt the going concern basis in preparing the financial statements.

Segmental reporting

The Chief Operating Decision Maker (the "CODM") being the Board of Directors, is of the opinion that the Company is engaged in a single segment of business, being investment in renewable energy infrastructure.

The Company has no single major customer. The internal financial information to be used by the CODM on a quarterly basis to allocate resources, assess performance and manage the Company will present the business as a single segment comprising the portfolio of investments in renewable energy infrastructure assets.

Notes to the Financial Statements continued

For the year ending 31 December 2023

2. Basis of preparation (Continued)

Critical accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the fair value of assets and liabilities that affect reported amounts. It is possible, that actual results may differ from these estimates.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates, by their nature, are based on judgement and available information, hence actual results may differ from these judgements, estimates and assumptions.

The key assumptions that have a significant impact on the carrying value of investments that are valued by reference to the discounted value of future cashflows are the useful life of the assets, the discount rates, the rate of inflation, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce. The sensitivity analysis of these key assumptions is outlined in note 9 to the financial statements, on page 143.

Useful lives are based on the Investment Manager's estimates of the period over which the assets will generate revenue which are periodically reviewed for continued appropriateness. Where land is leased from an external landlord, the operational life assumed for the purposes of the asset valuations is valued at the earlier of planning or lease expiry. Where a project has a life in excess of 75 years, the land it is located on is owned and there are no constraints regarding planning, asset valuations are based on a perpetual life including long term capital expenditure assumptions. This is the basis for the valuation of the hydropower assets. The actual useful life may be a shorter or longer period depending on the actual operating conditions experienced by the asset.

The discount rates are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different value. The discount rates applied to the cashflows are reviewed regularly by the Investment Manager to ensure they are at the appropriate level. The Investment Manager will take into consideration market transactions, where of similar nature, when considering changes to the discount rates used.

The revenues and expenditure of the investee companies are frequently, partly, or wholly subject to indexation and an assumption is made as to near term and long-term rates.

The price at which the output from the generating assets is sold is a factor of both wholesale electricity prices and the revenue received from the Government support regimes. Future power prices are estimated using external third-party forecasts which take the form of specialist consultancy reports, which reflect various factors including gas prices, carbon prices and renewables deployment, each of which reflect the UK and global response to climate change.

The Company's investments in unquoted investments are valued by reference to valuation techniques approved by the Directors and in accordance with the International Private Equity and Venture Capital ("IPEV") Guidelines.

Notes to the Financial Statements continued

For the year ending 31 December 2023

2. Basis of preparation (Continued)

Critical accounting judgements, estimates and assumptions (Continued)

As noted above, the Board have concluded that the Company meets the definition of an investment entity as defined in IFRS 10. This conclusion involved a degree of judgement and assessment as to whether the Company meets the criteria outlined in the accounting standards.

New standards issued

New and revised standards issued with effect from 1 January 2023:

- > Narrow-scope amendments to IAS 1 “Presentation of Financial Statements”, Practice statement 2 and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.
- > Amendments to IAS 12, “Income Taxes” – deferred tax related to assets and liabilities arising from a single transaction.
- > Amendments to IFRS 17, “Insurance contracts” – this standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts.

The impact of these standards is not expected to be material to the reported results and financial position of the Company.

New and revised standards issued with effect from 1 January 2024:

- > Amendments to IAS 1 on classification of liabilities clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting year.

The impact of these standards is not expected to be material to the reported results and financial position of the Company.

3. Material Accounting Policies

Financial Instruments

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are to be de-recognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred, and the transfer qualifies for de-recognition in accordance with IFRS 9 Financial Instruments.

Financial assets

The Company classifies its financial assets as either investments at fair value through profit or loss or financial assets at amortised cost. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition.

Notes to the Financial Statements continued

For the year ending 31 December 2023

3. Material Accounting Policies (Continued)

Investments at fair value through profit or loss ("FVTPL")

The fair value of investments in renewable energy infrastructure projects is calculated by discounting at an appropriate discount rate future cash flows expected to be received by the Company's intermediate holdings, from investments in both equity (dividends and equity redemptions), shareholder and inter-company loans (interest and repayments).

Investments are designated upon initial recognition as held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Statement of Comprehensive Income at each valuation point. As shareholder loan investments form part of a managed portfolio of assets whose performance is evaluated on a fair value basis, loan investments are designated at fair value in line with equity investments. The Company's loan and equity investments in Hold Co are held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Company's Statement of Comprehensive Income at each valuation point.

Financial assets at Fair Value through profit and loss are recognised/ derecognised at the date of the purchase/ disposal. Investments are initially recognised at cost, being the fair value of consideration given. Transaction costs are recognised in the Statement of Comprehensive Income as incurred. Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is calculated on a levered, discounted cashflow basis in accordance with IFRS 13.

Financial assets at amortised cost

Loans and other receivables are measured at amortised cost using the effective interest method, less any impairment.

They are included in current assets, except where maturities are greater than 12 months after the reporting date, in which case they are to be classified as non-current assets. The Company's financial assets held at amortised cost comprise "other receivables" and "cash and cash equivalents" in the statement of financial position.

Impairment

Impairment provisions for loans and receivables are recognised based on a forward-looking expected credit loss model. All financial assets assessed under this model are immaterial to the financial statements.

Financial liabilities at amortised cost

Financial liabilities are classified as other financial liabilities, comprising other non-derivative financial instruments, including trade and other payables, which are to be measured at amortised cost using the effective interest method.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Notes to the Financial Statements continued

For the year ending 31 December 2023

3. Material Accounting Policies (Continued)

Equity instruments

The Company's Ordinary Shares are classified as equity and are not redeemable. Costs associated or directly attributable to the issue of new equity shares are recognised as a deduction in equity and are charged either from the share premium account or the special distributable reserve, created on court cancellation of share premium account.

Taxation

The Company is approved as an Investment Trust Company ("ITC") under sections 1158 and 1159 of the Corporation Taxes Act 2010 and part 2 Chapter 1 Statutory Instrument 2011/2999. The approval is subject to the Company continuing to meet the eligibility conditions of the Corporation 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.

Under the current system of taxation in the UK, the Company is not liable to taxation on its operations in the UK. Current tax is the expected tax payable on the taxable income for the year, using tax rates that have been enacted or substantively enacted at the date of the Statement of Financial Position.

Dividends

Dividends to the Company's shareholders are recognised when they become legally payable. In the case of interim dividends, this is when they are paid. In the case of final dividends, this is when they are approved by the shareholders at the Annual General Meeting.

Income

Income includes investment income from financial assets at FVTPL and finance income.

Investment income from financial assets at FVTPL is recognised in the Statement of Comprehensive Income within income when the Company's right to receive payments is established.

Finance income comprises interest earned on intercompany loans and is recognised on an accruals basis.

Expenses

Expenses are accounted for on an accruals basis. Share issue expenses directly attributable to the listing of shares are charged through the Special Distributable Reserve or Share Premium Account with incremental costs associated with raising capital charged through profit and loss. The Company's investment management fee, administration fees and all other expenses are charged through the Statement of Comprehensive Income. In respect of the analysis between revenue and capital these items are presented and charged 100% as revenue items.

Notes to the Financial Statements continued

For the year ending 31 December 2023

3. Material Accounting Policies (Continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, deposits held on call with banks and other short-term highly liquid deposits with original maturities of three months or less.

Deposits to be held with original maturities of greater than three months are included in other financial assets. There are no expected credit losses as the bank institutions will have high credit ratings assigned by international credit rating agencies.

4. Investment management fees

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to a management fee from the Company, which is calculated quarterly in arrears at 0.95% of NAV per annum up to £500 million and 0.85% per annum of NAV in excess of £500 million.

The Company incurred £2,042,579 (2022: £1,780,561) of management fees during the year, investment management fees of £ 1,530,183 (2022: £1,426,289) were unpaid at the year end.

No performance fee is payable to the Investment Manager under the Investment Management Agreement and there are no provisions that would entitle the Investment Manager to a performance fee in respect of future years.

5. Return on investment

	31 December 2023	31 December 2022
	£'000s	£'000s
Unrealised movement in fair value of investments (Note 9)	(564)	28,058
Interest arising on shareholder loans (note 9)	9,872	7,792
Provision of Corporate Services to DORE Holdco Limited	1,000	252
	10,308	36,102

During the year, the Company supplied DORE Holdco Limited with the services laid out in the Corporate Services Agreement dated 1 October 2022, these include but are not limited to consulting and planning; product management; financial and other services.

Notes to the Financial Statements continued

For the year ending 31 December 2023

6. Other expenses

	31 December 2023	31 December 2022
	£'000s	£'000s
Alternative investment fund manager fee	182	152
Fees payable to the Company's auditor for the audit of the Company's annual accounts	188	167
Fees payable to the Company's auditor for other services	10	–
Company secretarial fee	67	58
Legal fees	61	69
Depository fee	55	49
Hedging advisory	25	25
Marketing fee	76	64
Broker fee	53	88
Retainer fee	52	–
Professional fees	346	199
Other fees	76	130
	1,191	1,001

Total fees payable to BDO LLP for non-audit services during the year were £10,000 (2022: £157,500). This relates to the review of certain procedures of the interim financial statements under the International Standard of Related Services (ISRS) 4400 (Revised) 'Agreed-Upon Procedures Engagements'. In the prior year, fees paid were for professional fees paid to BDO relating to reporting accountant services received during the Company's most recent share issuance program. These share issue costs were allocated against the Company's capital reserves.

7. Taxation

Taxable income during the year was offset by expenses and the tax charge for the year ended 31 December 2023 is £Nil.

As described above, the Company is recognised as an ITC for accounting years and to the extent that there is insufficient group tax relief available to eliminate taxable profits, the Company may make interest distributions to reduce taxable profits to nil.

Notes to the Financial Statements continued

For the year ending 31 December 2023

7. Taxation (Continued)

(a) Analysis of charge in the year

	Revenue £'000	Capital £'000	Total £'000
Analysis of tax charge / (credit) in the year:			
<i>Current tax:</i>			
UK corporation tax on profits of the year	–	–	–
Adjustments in respect of previous year	–	–	–
<i>Deferred tax:</i>			
Origination & reversal of timing differences	–	–	–
Adjustments in respect of previous years	–	–	–
Tax charge / (credit) on profit on ordinary activities	–	–	–

(b) Factors affecting total tax charge for the year

The UK corporation tax rate was increased from 19% to 25% on 1 April 2023. The effective UK corporation tax rate applicable to the Company for the year is 23.5%. The tax charge differs from the charge resulting from applying the standard rate of UK corporation tax for an investment trust company. The differences are explained below.

	Revenue £'000	Capital £'000	Total £'000
Profit on ordinary activities before tax	7,488	(564)	6,924
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 23.5%	1,760	(133)	1,627
Effect of:			
Capital profits not taxable	–	133	133
Excess expenses utilised	(51)	–	(51)
Non-taxable income	–	–	–
Expenses non deductible	40	–	40
Interest distributions	(1,749)	–	(1,749)
Timing differences	–	–	–
Group relief	–	–	–
Excess management expenses	–	–	–
Total charge / (credit) for the year	–	–	–

Notes to the Financial Statements continued

For the year ending 31 December 2023

7. Taxation (Continued)

(b) Factors affecting total tax charge for the year (Continued)

HM Revenue & Customs ("HMRC") has granted approval to the Company's status as an investment trust, and it is the Company's intention to continue meeting the conditions required to obtain approval in the foreseeable future. Investment companies which have been approved by HMRC under section 1158 of the Corporation Tax Act 2010, as amended are exempt from tax on capital gains.

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from 1 April 2023. This rate has been substantively enacted at the balance sheet date.

There is no unrecognised deferred tax asset or liability at 31 December 2023.

8. Earnings per share

	For the year to 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000s
Revenue and capital profit attributable to equity holders of the Company	7,488	(564)	6,924
Weighted average number of ordinary shares in issue	183,494,773	183,494,773	183,494,773
Basic and diluted earnings per share (pence)	4.1	(0.3)	3.8

	For the period to December 2022		
	Revenue £'000	Capital £'000	Total £'000s
Revenue and capital profit attributable to equity holders of the Company	5,137	28,058	33,196
Weighted average number of ordinary shares in issue	161,532,958	161,532,958	161,532,958
Basic and diluted earnings per share (pence)	3.2	17.4	20.6

Basic and diluted earnings per share are the same as there are no arrangements which could have a dilutive effect on the Company's ordinary shares.

Notes to the Financial Statements continued

For the year ending 31 December 2023

9. Investments at fair value through profit and loss

	Total 2023 £'000s	Total 2022 £'000s
Fair value at start of the year	196,866	131,508
Loan advanced to DORE Hold Co Limited	17,356	38,008
Unrealised (loss) / gain on investments at FVTPL	(564)	28,058
Loan Interest (movement)	(1,628)	(708)
Fair value at end of the year	212,030	196,866

There is a loan agreement between the Company and DORE Hold Co Limited for £200,000,000 (2022: £200,000,000). At the reporting date £169,113,413 (2022: £151,756,990) had been advanced. The rate of interest on the loan is a rate agreed between DORE Hold Co Limited and the Company and has been set at 6% per annum. Interest accrued at the year end and outstanding at the reporting date amounted to £96,110 (2022: £1,724,341). Interest is repayable at the repayment date of 31 December 2030 unless otherwise agreed between the parties to repay earlier. The Fair Value movements are largely attributable to market risk.

The NAV decrease was driven by updated power price forecasts showing a return to more normalised long term power pricing more quickly than previously expected.

The Company received interest payments of £11,500,000 (2022: £8,500,000) during the year. Included in the fair value are cash balances at DORE Hold Co of £5.3 million (2022: £4.8 million).

The Company owns 100% of the nine shares in DORE Hold Co Limited. These shares were allotted for a consideration of £8,000,000.

Fair value measurements

IFRS 13 "Fair Value Measurement" requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities ranges from level 1 to level 3 and is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of the Company's investments is ultimately determined by the underlying net present values of the SPV ("Special Purpose Vehicle") investments. Due to their nature, they are always expected to be classified as level 3 as the investments are not traded and contain unobservable inputs.

The fair value hierarchy consists of the following three levels:

- > Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- > Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- > Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements continued

For the year ending 31 December 2023

9. Investments at fair value through profit and loss (Continued)

Fair value measurements (Continued)

The following table analyses the Company's assets at 31 December 2023:

	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
Investment portfolio summary				
Unquoted investments at fair value through profit and loss	–	–	212,030	212,030
Total	–	–	212,030	212,030

The determination of what constitutes 'observable' requires significant judgement by the Company. Observable data is considered to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The only investment held at fair value is the investment in DORE Holdco Limited, which is fair valued at each reporting date. The investment has been classified within level 3 as the investment is not traded and contains unobservable inputs.

The fair value of the Company's equity and loan investments in Hold Co is ultimately determined by the underlying fair values of the SPV investments, the Company's sensitivity analysis of reasonably possible alternative input assumptions is the same as the subsidiary.

There have been no transfers between levels during the year.

Valuations are derived using a discounted cashflow methodology in line with IPEV Valuation Guidelines and take into account, inter alia, the following:

- i. due diligence findings where relevant;
- ii. the terms of any material contracts including PPAs;
- iii. asset performance;
- iv. power price forecasts from leading market consultants; and
- v. the economic, taxation or regulatory environment.

The DCF valuations of the Company's investments represent the largest component of GAV and the key sensitivities are considered to be the discount rate used in the DCF valuations and assumptions in relation to inflation, energy yield, foreign exchange and power price.

The shareholder loan and equity investments are valued as a single class of financial asset at fair value in accordance with IFRS 13 Fair Value Measurement.

Notes to the Financial Statements continued

For the year ending 31 December 2023

9. Investments at fair value through profit and loss (Continued)

Sensitivity

Sensitivity analysis is produced to show the impact of changes in key assumptions adopted to arrive at the valuation. For each of the sensitivities, it is assumed that potential changes occur independently of each other with no effect on any other base case assumption, and that the number of investments in the portfolio remains static throughout the modelled life. Accordingly, the NAV per share impacts shown below assume the issue of further shares to fund these commitments.

Information on climate related sensitivities can be found on pages 58 and 67.

The analysis below shows the sensitivity of the portfolio value (and its impact on NAV) to changes in key assumptions as follows:

Discount rate

The weighted average valuation discount rate applied to calculate the levered and unlevered portfolio valuation is 7.7%.

An increase or decrease in this rate by 1.0% points has the following effect on valuation.

Discount rate	NAV per share impact	-1.0% change £'000	Total portfolio Value £'000	+1.0% change £'000	NAV per share impact
Directors' valuation – Dec 2023	13.73	24,750	212,030	20,467	-11.35

Energy yield

The table below shows the sensitivity of the portfolio valuation to a sustained decrease or increase of energy generation by minus or plus 5% on the valuation, with all other variables held constant. The fair value of the solar investments is based on a "P50" level of electricity generation for the renewable energy assets, being the expected level of generation over the long term. The P50 figure is the annual average level of generation, where the output is forecasted to be exceeded 50% over a year. For hydropower assets, the expected annual average production is applied to the valuation, similar to the P50 assumption applied to solar and wind assets.

A change in the forecast energy yield assumptions by plus or minus 5% has the following effect.

Energy Yield	NAV per share impact	-5% change £'000	Total portfolio Value £'000	+5% change £'000	NAV per share impact
Directors' valuation – Dec 2023	(10.45)	(18,830)	212,030	18,559	10.30

Notes to the Financial Statements continued

For the year ending 31 December 2023

9. Investments at fair value through profit and loss (Continued)

Power prices

The sensitivity considers a flat 10% movement in power prices for all years, i.e. the effect of adjusting the third party provided forecast electricity price assumptions in each of the jurisdictions applicable to the portfolio down by 10% and up by 10% from the base case assumptions for each year throughout the operating life of the portfolio.

A change in the forecast electricity price assumptions by plus or minus 10% has the following effect.

Power Prices	NAV per share impact	-10% change £'000	Total portfolio Value £'000	+10% change £'000	NAV per share impact
Directors' valuation – Dec 2023	(11.78)	(21,240)	212,030	21,168	11.74

Inflation

The projects' income streams are principally a mix of subsidies, which are amended each year with inflation, and power prices, which the sensitivity assumes will move with inflation. The projects' operating expenses typically move with inflation, but debt payments are fixed. This results in the portfolio returns and valuation being positively correlated to inflation. The weighted average long-term inflation assumption across the portfolio is 2.15%.

The sensitivity illustrates the effect of a 1.0% decrease and a 1.0% increase from the assumed annual inflation rates in the financial model for each year throughout the operating life of the portfolio.

Inflation	NAV per share impact	-1.0% change £'000	Total portfolio Value £'000	+1.0% change £'000	NAV per share impact
Directors' valuation – Dec 2023	(8.64)	(15,571)	212,030	18,035	10.01

Notes to the Financial Statements continued

For the year ending 31 December 2023

9. Investments at fair value through profit and loss (Continued)

Foreign exchange

The Company, where appropriate, seeks to manage its exposure to foreign exchange movements, to ensure that the Sterling value of known future investment commitments is fixed. The portfolio valuation assumes foreign exchange rates based on the relevant foreign exchange rates against GBP at the reporting date. A change in the foreign exchange rate by plus or minus 10% (Euro against GBP), has the following effect on the NAV, with all other variables held constant. The effect is shown after the effect of current level of hedging which reduces the impact of foreign exchange movements on the Company's NAV.

Foreign Exchange	NAV per share impact	-10% change £'000	Total portfolio Value £'000	+10% change £'000	NAV per share impact
Directors' valuation – Dec 2023	(4.99)	(9,002)	212,030	13,798	7.66

10. Trade and other receivables

	31 December 2023 £'000s	31 December 2022 £'000s
Prepayments	85	271
VAT	–	44
Debtors	252	252
	337	567

11. Trade and other Payables

	31 December 2023 £'000s	31 December 2022 £'000s
Accounts Payable	584	1,098
Accruals	1,349	764
VAT	150	–
	2,083	1,862

Included in accruals and accounts payable at the year-end, £1,530,183 relates to the management fee charged by Downing LLP during the year.

Notes to the Financial Statements continued

For the year ending 31 December 2023

12. Called up share capital

Allotted, issued and fully paid:	Number of Shares
Opening Balance at 1 January 2023	184,622,487
Ordinary Shares issued	–
Closing Balance of Ordinary Shares at 31 December 2023	184,622,487

Each ordinary share has equal rights to dividends and has equal rights to participate in a distribution arising from a winding up of the Company.

During the year, the Company repurchased 4,375,363 shares for a cost of £4,065,545, these shares are held in the Company's equity account under treasury shares. Since the 31 December 2023 the company has repurchased a further 2,544,899 shares for a cost of £2.1m now held in treasury.

13. Special distributable reserve

As indicated in the Company's prospectus dated 12 November 2020, following admission of the Company's Ordinary Shares to trading on the London Stock Exchange, the Directors applied to the Court and obtained a judgement to cancel the amount standing to the credit of the share premium account of the Company.

As stated by the Institute of Chartered Accountants in England and Wales ("ICAEW") and the Institute of Chartered Accountants in Scotland ("ICAS") in the technical release TECH 02/17BL, The Companies (Reduction of Share Capital) Order 2008 SI 2008/1915 ("the Order") specifies the cases in which a reserve arising from a reduction in a company's capital (i.e., share capital, share premium account, capital redemption reserve or redenomination reserve) is to be treated as a realised profit as a matter of law. The Order also disapplies the general prohibition in section 654 on the distribution of a reserve arising from a reduction of capital. The Order provides that if a limited company having a share capital reduces its capital and the reduction is confirmed by order of court, the reserve arising from the reduction is treated as a realised profit unless the court orders otherwise.

At 31 December 2023 the special distributable reserve account was £107,340,301. (2022: £114,617,564).

14. Net asset value per ordinary share

The basic total net assets per ordinary share is based on the net assets attributable to equity shareholders as at 31 December 2023 of £212,061,828 (2022: £218,899,172) and ordinary shares of 180,247,124 (2022: 184,622,487) in circulation at 31 December 2023.

There is no dilution effect and therefore no difference between the diluted total net assets per ordinary share and the basic total net assets per ordinary share.

15. Cash and Cash equivalents

At the year end, the Company had cash of £1.8 (2022: £23.3) million. This balance was held by the Royal Bank of Scotland.

Notes to the Financial Statements continued

For the year ending 31 December 2023

16. Financial Risk Management

The Company's investment activities expose it to a variety of financial risks, including interest rate risk, foreign exchange risk, power price risk, credit risk and liquidity risk. The Board of Directors have overall responsibility for overseeing the management of financial risks, however the review and management of financial risks are delegated to the AIFM and Investment Manager.

Each risk and its management are summarised below.

Foreign exchange risk

Foreign exchange risk is defined as the risk that the fair value of future cash flows will fluctuate because of changes in foreign exchange rates. The Company monitors its foreign exchange exposures using its near-term and long-term cash flow forecasts. Its policy is to use foreign exchange hedging to provide protection to the level of sterling distributions that the Company aims to receive from portfolio companies over the medium-term, where considered appropriate. This may involve the use of forward exchange. The Company's sensitivity to foreign exchange risk can be seen in note 9.

Interest rate risk

The Company may be exposed to changes in variable market rates of interest as this could impact the discount rate and therefore the valuation of the projects as well as the fair value of the loan receivables. The Company has fixed the interest rates for all of its asset level debt, the RCF which has a floating rate makes up less than 6% of GAV, the Company is not considered to be materially exposed to interest rate risk.

The Company's interest and non-interest bearing assets and liabilities as at 31 December 2023 are summarised below:

	Interest Bearing	Non-Interest bearing	Total
	£'000	£'000	£'000
Assets			
Cash and cash equivalents	–	1,778	1,778
Trade and other receivables	–	337	337
Investments at fair value through profit and loss	169,113	42,917	212,030
Total assets at 31 December 2023	169,113	45,032	214,145
Total assets at 31 December 2022	151,757	69,004	220,761
Liabilities			
Accrued expenses	–	(2,083)	(2,083)
Total liabilities at 31 December 2023	–	(2,083)	(2,083)
Total liabilities at 31 December 2022	–	(1,862)	(1,862)

Notes to the Financial Statements continued

For the year ending 31 December 2023

16. Financial Risk Management (Continued)

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due. The Investment Manager, AIFM and the Board continuously monitor forecast and actual cash flows from operating, financing, and investing activities to consider payment of dividends, repayment of trade and other payables or funding further investing activities.

The Company ensures it maintains adequate reserves, will put in place banking facilities and will continuously monitor forecast and actual cash flows to seek to match the maturity profiles of financial assets and liabilities.

At the year end, the Company's investments were in secured loan and equity investments in private companies, in which there is no listed market and therefore such investments would take time to realise, and there is no assurance that the valuations placed on the investments would be achieved from any such sale process. The Company's Hold Co is the entity through which the Company holds its investments, the liquidity of Hold Co is reflective of the investments in which it holds. The Company's main subsidiary holds an RCF with a facility of £40m, of which £18.6m has currently been drawn.

	Less than 1 year	1-5 years	More than 5 years	Total
	£'000	£'000	£'000	£'000
Assets				
Investments at fair value through profit and loss (note 9)	–	–	212,030	212,030
Trade and other receivables	337	–	–	337
Cash and cash equivalents	1,778	–	–	1,778
Liabilities				
Trade and other payables	(2,083)	–	–	(2,083)
Total at 31 December 2023	32	–	212,030	212,062
Total at 31 December 2022	21,718	–	196,866	218,584

Credit risk

Credit risk is the risk that a counterparty of the Company will be unable or unwilling to meet a commitment that it has entered into with the Company. It is a key part of the pre-investment due diligence. The credit standing of the companies which the Company intends to lend or invest is reviewed, and the risk of default estimated for each significant counterparty position. Monitoring is on-going, and year end positions are reported to the Board on a quarterly basis.

Credit risk may also arise from cash and cash equivalents and deposits with banks and financial institutions. The Company and its subsidiaries may mitigate their risk on cash investments by only transacting with major international financial institutions with high credit ratings assigned by international credit rating agencies.

Notes to the Financial Statements continued

For the year ending 31 December 2023

16. Financial Risk Management (Continued)

Credit risk (Continued)

The fair value of the investments and cash represent the Company's maximum exposure to credit risk.

The Company's credit risk exposure as at 31 December 2023 is summarised below:

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Trade and other receivables	337	252
Loan Investment	169,113	151,757
Cash and cash equivalents	1,778	23,328
Total	171,228	175,337

There is a loan agreement between the Company and DORE Hold Co Limited for £200,000,000 (2022: £120,000,000). DORE Hold Co Limited is wholly owned subsidiary of the Company. The total undrawn facility is £30,886,587.

Price risk

Price risk is defined as the risk that the fair value of a financial instrument held by the Company will fluctuate. Investments are measured at FVTPL. As at 31 December 2023, the Company held three investments through its intermediate holding company. The value of the underlying renewable energy investments held by Hold Co will vary according to a number of factors including discount rate used, asset performance and forecast power prices.

Capital risk management

The capital structure of the Company at the year-end consists of equity attributable to equity holders of the Company, comprising issued capital and reserves. The Board continues to monitor the balance of the overall capital structure so as to maintain investor and market confidence. The Company is not subject to any external capital requirements.

Market risk

Returns from the Company's investments are affected by the price at which the investments are acquired. The value of these investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, inter alia, movements in interest rates, market prices and the competition for such assets. The Investment Manager carries out a full valuation quarterly and this valuation exercise takes into account changes described above.

Notes to the Financial Statements continued

For the year ending 31 December 2023

17. Unconsolidated subsidiaries, associates and joint ventures

The following table shows subsidiaries of the Group. As the Company is regarded as an Investment Entity as referred to in note 2, these subsidiaries have not been consolidated in the preparation of the financial statements:

Investment	Place of Business	Ownership Interest as at 31 December 2023
DORE Hold Co Limited ¹	England ²	100%
DORE Sweden Hold Co Limited ²	England ²	100%
Downing Transmission Pathfinder Holdco Limited ¹⁰	England ¹²	100%
Downing Hydro AB ¹²	Sweden ¹³	100%
Downing Grid AB ¹⁰	Sweden ¹¹	100%
Downing Wind Sweden Holdco AB ⁹	Sweden ¹¹	100%
Abercomyn Solar Ltd ²¹	England ¹²	100%
Andover Airfield Solar Developments Ltd ²⁰	England ¹²	100%
Appleton Renewable Energy Ltd ¹⁴	England ¹²	100%
Appleton Renewables Ltd ²¹	England ¹²	100%
Beeston Solar Energy Ltd ¹⁵	England ¹²	100%
Beeston Solar Ltd ²¹	England ¹²	100%
Bourne Park Solar Ltd ¹⁶	England ¹²	100%
Brookside Solar Ltd ²¹	England ¹²	100%
Brown Argus Trading Ltd ²³	England ¹²	100%
Chalkhill Commercial PV Ltd ²³	England ¹²	100%
Chalkhill Life Holdings Ltd ¹⁸	England ¹²	100%
Deeside Solar Farm Ltd ¹⁷	England ¹²	100%
Downing Summit AB ²⁸	Sweden ¹¹	100%
Emerald Isle Solar Energy Ltd ¹⁸	Northern Ireland ¹²	100%
Emerald Isle Solar Ltd ²¹	Northern Ireland ¹²	100%
Ferðapjónustan Húsafelli ehf. ²⁸	Iceland ¹¹	100%

Notes to the Financial Statements continued

For the year ending 31 December 2023

17. Unconsolidated subsidiaries, associates and joint ventures (Continued)

Investment	Place of Business	Ownership Interest as at 31 December 2023
Föreningen Lagmansholms Kraftverk u.p.a ²⁸	Sweden ¹¹	100%
Gabrielsberget Syd Vind AB ²⁹	Sweden ¹¹	100%
Gottne Energi AB ²⁸	Sweden ¹¹	100%
Greenacre Redbridge Ltd ²⁵	England ¹²	100%
Greenacre Solar Energy Ltd ¹⁹	England ¹²	100%
Greenacre Solar Ltd ²¹	England ¹²	100%
Heulwen Solar Ltd ²¹	England ¹²	100%
Högforsen Kraftverk AB ²⁸	Sweden ¹¹	100%
Hulse Energy Ltd ²¹	Northern Ireland ¹²	100%
Hulse Renewable Energy Ltd ²⁰	Northern Ireland ¹²	100%
KPP132 Ltd ²⁷	England ¹²	100%
KPP141 Ltd ³³	Northern Ireland ¹²	100%
Mersey Reactive Power Limited ²¹	England ¹²	100%
Moray Energy Ltd ²²	Northern Ireland ¹²	100%
Moray Power (UK) Ltd ²⁷	Northern Ireland ¹²	100%
Moray Power Ltd ²¹	Northern Ireland ¹²	100%
Newton Solar Energy Ltd ²³	England ¹²	100%
Newton Solar Ltd ²¹	England ¹²	100%
Occasum Holdings Limited ¹⁵	England ¹²	100%
Penarth Energy Ltd ²¹	England ¹²	100%
Ridgeway Solar Energy Ltd ²⁴	England ¹²	100%
Ridgeway Solar Ltd ²¹	England ¹²	100%
Ringlet Trading Ltd ²³	England ¹²	100%
ROC Solar (UK) Ltd ²⁵	Northern Ireland ¹²	100%

Notes to the Financial Statements continued

For the year ending 31 December 2023

17. Unconsolidated subsidiaries, associates and joint ventures (Continued)

Investment	Place of Business	Ownership Interest as at 31 December 2023
ROC Solar Ltd ²¹	Northern Ireland ¹²	100%
Solar Finco 1 Limited ²⁶	England ¹²	100%
Solar Finco 2 Limited ²⁷	England ¹²	100%
Solar Finco 3 Limited ²³	England ¹²	100%
TGC Solar Oakfield Ltd ²⁹	England ¹²	100%
Triumph Renewable Energy Ltd ³³	Northern Ireland ¹²	100%
Triumph Solar Energy Ltd ²⁸	Northern Ireland ¹²	100%
Triumph Solar Ltd ²¹	Northern Ireland ¹²	100%
Voltaise (UK) Ltd ²⁹	England ¹²	100%
Voltaise Ltd ²¹	England ¹²	100%
Wakehurst Renewable Energy Ltd ³⁰	Northern Ireland ¹²	100%
Wakehurst Renewables Ltd ²¹	Northern Ireland ¹²	100%
York NIHE Ltd ³⁶	Northern Ireland ¹²	100%
York Renewable Energy Ltd ³¹	England ¹²	100%
York Renewables Ltd ²¹	Northern Ireland ¹²	100%

1 DORE Hold Co is the intermediate holding company of the Group, this is 100% owned by DORE PLC

2 The Registered office is St Magnus House, 3 Lower Thames Street, London EC3R 6HD

3 These Companies are 100% owned by DORE Hold Co Limited

4 The registered office is c/o Cirio Advokatbyrå Box 3294, 103 65 Stockholm

5 Appleton Renewable Energy Ltd is 100% owned by Appleton Renewables, Appleton Renewable Energy Ltd, in turn owns 100% of Andover Airfield Solar Developments Ltd

6 These companies are 100% owned by Solar Finco 1 Ltd

7 Bourne Park Solar is 100% owned by Penarth Energy Ltd

8 These companies are 100% owned by Chalkhill Life Holdings Ltd

9 Emerald Isle Solar Energy Limited is 100% owned by Emerald Isle Solar Ltd

10 Both companies are 100% owned by Greenacre Solar Ltd

11 Hulse Renewable Energy Ltd is 100% owned by Hulse Energy Ltd

Notes to the Financial Statements continued

For the year ending 31 December 2023

17. Unconsolidated subsidiaries, associates and joint ventures (Continued)

- 12 Mersey Reactive Power is 100% owned by Downing Transmission Pathfinder Holdco Limited
- 13 Moray Energy Ltd and Moray Power (UK) are 100% owned by Moray Power Ltd, Moray Power (UK) Ltd owns 100% of KPP 132 Ltd
- 14 Newton Solar Energy is 100% owned by Newton Solar Ltd
- 15 Both companies are 100% owned by Ridgeway Solar Ltd
- 16 ROC Solar (UK) Ltd is 100% owned by ROC Solar Ltd
- 17 Solar Finco 1 Ltd is 100% owned by Solar Finco 2 Ltd
- 18 Solar Finco 2 Ltd is 100% owned by Solar Finco 3 Ltd
- 19 Triumph Solar Energy is 100% owned by Triumph Solar Ltd, Triumph Solar Energy Ltd in turn owns 100% of Triumph Renewable Energy Ltd and KPP 141 Ltd.
- 20 Voltaire (UK) Limited is 100% owned by Voltaire Ltd.
- 21 Wakehurst Renewable Energy Ltd is 100% owned by Wakehurst Renewables Ltd
- 22 These Companies are 100% owned by York Renewables Ltd
- 23 These Companies are 100% owned by Downing Hydro AB
- 24 These Companies are 100% owned by Downing Wind Sweden AB

18. Employees and Directors

The Company is governed by a Board of Directors, all of whom are independent and non-executive. During the year, they received fees for their services of £140,000 (2022: £125,000). The Company has 3 non-executive Directors.

Other than the Directors, the Company had no employees during the year.

19. Contingencies and commitments

The Company has no commitments or contingencies. (2022: no commitments or contingencies). The total undrawn facility on the loan between the Company and DORE Hold Co Limited is £30,886,587.

Notes to the Financial Statements continued

For the year ending 31 December 2023

20. Dividends declared

As outlined on page 10 of the Chairman's statement, in the IPO Prospectus on 12 November 2020, the Company was targeting an initial annualised dividend yield of 3% by reference to the IPO price of £1.00, in respect of the financial year from IPO on 10 December 2020 to 31 December 2021 (equating to 3.0 pence per share), rising to a target annualised dividend yield of 5% by reference to the IPO price in respect of the financial year to 31 December 2023.

	Dividend per share	Total dividend
	pence	£'000
Interim dividends paid during the year ended 31 December 2023		
With respect to the quarter ended 31 December 2022	1.25	2,308
With respect to the quarter ended 31 March 2023	1.345	2,478
With respect to the quarter ended 30 June 2023	1.345	2,471
With respect to the quarter ended 30 September 2023	1.345	2,439
	5.285	9,696
	Dividend per share	Total dividend
	pence	£'000
Interim dividends declared after 31 December 2023 and not accrued in the year		
With respect to the quarter ended 31 December 2023	1.345	2,411
	1.345	1,345

On 20 February 2024, The Board declared an interim dividend of 1.345 pence per share with respect to the year ended 31 December 2023.

The dividend was paid on 28 March 2024 to shareholders on the register on 1 March 2024. The ex-dividend date is 29 February 2024.

The target dividend for the year from 1 January 2024 has been increased by 7.85% to 5.80 pence per ordinary share.

During the year, the Board declared interim dividends in respect of the quarterly periods ending 31 March 2023, 30 June 2023, 30 September 2023 for 1.345 pence per share and 1.25 pence per share for the quarter ending 31 December 2022. As outlined in the Company's Prospectus, the Company has chosen to designate part of these interim dividends as an interest distribution.

Notes to the Financial Statements continued

For the year ending 31 December 2023

20. Dividends declared (Continued)

The dividend for the period to 31 December 2023, was paid as 1.005 pence per share as an interest payment and 0.340 as an ordinary dividend. The dividend paid for the period to 31 March 2023 was paid as 0.875 pence per share as an interest payment and 0.470 as an ordinary dividend. The dividend paid for the period to 30 June 2023 was paid as 1.076 pence per share as an interest payment and 0.269 as an ordinary dividend. The dividend paid for the period to 30 September 2023 was paid as 1.143 pence per share as an interest payment and 0.202 as an ordinary dividend. All dividend payments paid as interest are paid from the Special Distributable reserve and all dividend payments paid as ordinary dividends are paid from the Revenue reserve.

Shareholders in receipt of such a dividend will be treated for UK tax purposes as though they have received a payment of interest in respect of the interest distribution element of this dividend. This will result in a reduction in the corporation tax payable by the Company.

21. Events after the balance sheet date

Dividends

On 20 February 2024, The Board declared an interim dividend of 1.345 pence per share with respect to the period ended 31 December 2023.

The dividend was paid on 28 March 2024 to shareholders on the register on 1 March 2024. The ex-dividend date is 29 February 2024.

The target dividend for the year from 1 January 2024 has been increased by 7.85% to 5.80 pence per ordinary share.

Share Buybacks

Post year end, the Company had announced cumulative buybacks of 2,544,899 shares between 1 January 2024 and 10 April 2024.

22. Related party transactions

The amounts incurred in respect of the Investment Management fees during the year to 31 December 2023 was £2,043,529. Of this amount, £1,530,183 were unpaid at 31 December 2023.

The amounts incurred in respect of the Corporate Services agreement for the year to 31 December 2023 was £1,000,000. Of this amount, £252,055 were unpaid at 31 December 2023.

The Investment Manager is owed £113,830 commission in respect of funds raised during the placing, open offer, offer for subscription and intermediaries offer. This amount remained unpaid at the year end.

Notes to the Financial Statements continued

For the year ending 31 December 2023

22. Related party transactions (Continued)

The amounts paid in respect of Directors fees during the year to 31 December 2023 was £140,000. The amounts paid to individual directors during the year were as follows:

Hugh W M Little (Chair)	£55,000
Jo Holt	£40,000
Ashley Paxton	£45,000

Due to the Company being an externally managed investment company, there are no other fees due to key management personnel.

Intercompany Loans

During the year interest totalling £9.87 (2022: £7.79) million was charged on the Company's long-term interest-bearing loan between the Company and its subsidiary. At the year end, £0.96 (2022: £1.7) million remained unpaid.

The loan to DORE Hold Co Limited is unsecured at interest rate of 6%. As at the balance sheet date, the loan balance stood at £169.1 (2022: £151.7) million.

Transactions with the Investment Manager

During the year, £1,359,160 (2022: £1,029,535) of fees were earned by INFRAM LLP, a subsidiary of Downing Group LLP for the management services relating to DORE's underlying spv portfolio.