30 June

2021

The UK's largest listed battery storage fund

Gresham House Energy Storage Fund plc (GRID)
Interim Report and Accounts as at 30 June 2021

Since 1857
Gresham House
Specialist asset management

Energy storage to address supply-demand imbalances on the National Grid, in real time.

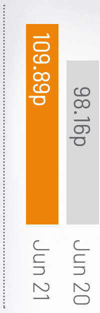
Gresham House Energy Storage Fund plc (GRID, the Fund or Company) invests in a portfolio of utility-scale operational Battery Energy Storage Systems (BESS) in Great Britain.

For more information visit
www.greshamhouse.com/gresham-house-energy-storage-fund-plc

Company Financial Highlights

109.89p

NAV per share (pence)
(as at 30 June 2021)



£36.3m

Company profit & total comprehensive income (£m)
(for the six months ended 30 June 2021)

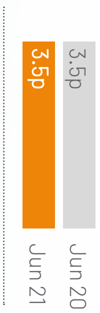
£357.9m

Total gross equity funds raised (£m)[1]
(as at 30 June 2021)

Alternative Performance Measures[2]

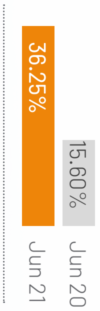
3.5p

Dividend per Ordinary Share (pence)[3]
(for the six months ended 30 June 2021)



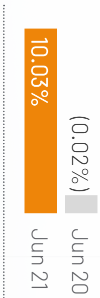
36.25%

Ordinary Share price total return since IPO
(for the period to 30 June 2021)



10.03%

NAV per Ordinary Share total return (unlevered)
(for the period to 30 June 2021)



Performance Highlights

- Net Asset Value (NAV) of £383m or 109.89p per share (FY 2020: 102.96p / H1 2020: 98.16p). Increase in NAV in H1 2021 driven by revaluations of recently commissioned projects, cash retained over and above distributions to shareholders and improvements in third party forecasts. The weighted average cost of capital dropped from 10.8% to 10.7% due to a greater proportion of revenues coming from Capacity Market contracts
- NAV total return of 10.03% for the six-month period, driven by a 6.9p increase in NAV per share and 3.5p in dividends paid in the six-month period
- Ordinary Share price at 30 June 2021 was 120.75p implying a total return of 36.25% since inception, and 10.66% for the six-month period ended June 2021
- The Board reaffirms expectations of 7.0p dividends for 2021 and expects full dividend cover from underlying earnings in the portfolio in 2021
- £100m equity raised following the half-year period end. The Manager is now targeting an additional 515MW in BESS projects by Q1 2022 from deployment of £220m in cash raised from share issuance under the Prospectus published in November 2020. Deployment of this equity is progressing well
- Debt process successfully completed unlocking a £180m total debt facility made up of £150m capex facility and £30m working capital facility, significantly improving the incremental cost of capital for the Company

Operational Highlights

- Daily operations continue to be dominated by frequency response services, Dynamic Containment and Enhanced Frequency Response in particular, contributing 86% of revenues, while power trading opportunities are taken advantage of as they arise
- The Company had 425MW of operational projects at the end of June and has also signed conditional SPAs for the acquisition of a further 425MW in the period. In addition, a further 187MW is in advanced stages of due diligence. Average project size has increased to c.60MW significantly accelerating operational scale-up
- 2021 started with occasional periods of extreme volatility with short run power prices reaching £4,000/ MWh on 8 January 2021
- Daily peak electricity prices are at historically high levels due to higher demand, higher natural gas prices and elevated carbon prices demonstrated by record monthly average price per MWh in August 2021[4]
- Supportive industry developments with (i) National Grid demerging the Electricity System Operator, (ii) significant changes in frequency response and reserve services procured by National Grid and (iii) a significant pick up in deployment of storage projects
- National Grid has significantly increased the prominence of Energy Storage, forecasting up to 43GW of capacity being required in 2050 and confirming 15GW by 2025 under its recently published Future Energy Scenarios compared with c.1.3GW operational today

1. Including £100m at IPO - Unaudited
2. Alternative performance measures are defined and calculated in the Glossary
3. Including proposed dividend
4. source: https://www.thetimes.co.uk/article/gas-lights-up-price-for-electricity-2h3j2gb2j

Chair's Statement

It is a positive confirmation of our investment thesis to see that grid-scale batteries are now becoming an essential feature of the UK's critical national infrastructure.

John Leggate
Non-Executive Chair,
Gresham House Energy Storage Fund plc Board

Summary

On behalf of the Board, I am delighted to present the Interim Report and Accounts of Gresham House Energy Storage Fund plc for the six-month period ending 30 June 2021.

The Company and its Portfolio have performed well over the period, with dividend cover from underlying operational earnings of 1.62x (1.38x excluding locked box income) for H1 2021 (FY 2020 0.78x / H1 2020: 0.48x). Total Share Price Return since IPO is 36.25% to H1 2021 (H1 2020: 15.60% / FY 2020: 23.10%).

Complementing this strong performance, our future growth plans are on track, with a significant number of acquisitions, further equity fundraising and the commitment of equity funds raised into projects both during and following the half-year end.

The completion of the debt fundraising process is also a significant milestone for the Company, demonstrating how much the industry has matured since IPO, and how the Company is demonstrating sector leadership through scale and strong execution in its operational activities.

Portfolio description, transactions and pipeline

The Company's 17 projects make up 425MW of wholly owned operational BESS projects located across England and Scotland, averaging over one hour in duration.

The Manager has remained very active in terms of fundraising and the building of a strong pipeline. In terms of fundraising, the Company completed a successful equity fundraising shortly after the half-year end and also completed a debt fundraising totalling £180m in September 2021.

On deployment, since the start of 2021, the Company has completed the acquisition of 110MW of operational projects and has signed SPAs for the acquisition of a further 425MW which are scheduled to become operational during 2022. A further 187MW are in the advanced stages of due diligence.

Having secured a debt facility, the Company's aim now is to commit to the remainder of the pipeline disclosed during the fundraising in July 2021, which would take operational MWs to c.1.3GW during H1 2023.

The Company's overall pace of deployment is likely to result in it maintaining market share of at least 25-30% as it has done since its IPO in 2018.

The Manager continues to work hard on delivering our pipeline, and incrementally focusing on projects that will commission in 2023 and later. The Manager also continues to review opportunities in Ireland, although the team has been able to execute more effectively in Great Britain where the revenue outlook has improved significantly since shareholders agreed to a change in Investment Policy in 2020, to include investment in Ireland. The Manager has visibility on a large exclusive pipeline in Ireland, which we intend to announce once these projects are closer to being shovel ready.

Examining upcoming deployment more closely, it is worth noting that average project size has increased significantly to approximately 60MW. Assuming this continues, it will only take 13 projects to triple the Company's operational capacity.

Of the projects acquired in the first half of 2021, 70MW (Port of Tyne, Tynemouth and Nevendon) are contracted in EFR until the first half of 2022. These projects were well-priced given the fully contracted nature of their revenues from EFR and high value 15-year Capacity Market contracts but also taking into account the projects' limited battery duration and the need for the Manager to carry out an upgrade programme once the EFR contracts expire.

These are the last of the already-operational projects that the Company expects to acquire in the foreseeable future as it focuses on its new-build project pipeline, although we are still open to opportunistic acquisitions.

Referring to battery duration, the Manager is actively considering the optimal duration for its latest projects. While all new projects which are already funded, namely Coupar Angus (40MW), Arbroath (35MW), Enderby (50MW), West Didsbury (50MW), Melksham (100MW), Stairfoot (40MW), Penwortham (50MW), Grendon (up to 100MW) and Project Y (50MW) are being built out to one hour durations, pipeline projects are being evaluated on their ability to have longer duration batteries and we have a preference to invest in projects that can be built with at least a 90 minute duration: the longer duration increases the potential revenue per MW.

Results and outlook

The Company has performed strongly during the period. The portfolio generated net earnings for dividend cover of £19.7m, from operating revenues of £24.9m. Revenues came mostly from frequency response services, with £16.2m from Dynamic Containment, £5.2m from EFR services provided by our 120MW of EFR contracted projects and £0.6m from FFR services. The remaining 12% of the Company's revenue is made up of trading (Spread Capture) and Capacity Market contracts.

The high proportion coming from frequency response services reflects the continued shortfall, during the period, in available battery capacity to deliver the service that National Grid has demand for and has resulted in the high level of revenues this year. This is expected to change in phases over the next year as the number of operational batteries increases and as contracting moves from twenty-four-hour periods to four-hourly periods (known as EFA blocks), resulting in National Grid being able to procure less capacity when less is required.

As such, revenues earned per MW from frequency response are expected to decline over the next 12 months, uncovering the underlying attractiveness of trading, a market which is much more sustainable, due to its large and growing size as renewables continue to be deployed at pace. It is this market opportunity, which is driving the interest in the potential
of longer duration batteries, mentioned in the section above, as these longer duration batteries can capture more revenues from the intraday volatility in power prices. The financial model projections, which drive the Company's NAV, already reflect less revenue from frequency response and a migration to income from trading activities from later this year and as such, revenues, on a per MW basis, are expected at levels closer to those anticipated at the time of the IPO from 2022 onwards.

Offsetting the potential for lower per MW revenues is the possibility of another period of higher volatility this winter, as forecast in National Grid's recently published Winter Outlook 2021 - Early View document, which combined with the commissioning of a large number of new BESS projects within the Company, many of them in Q1 2022, offers the Company a potentially healthy dividend cover going into 2022.

Perhaps the most exciting development in the Company is the closing of the recently announced debt facility. This facility enables the Company to achieve a significantly lower weighted average cost of capital. While this supports the growth in NAV, it also supports the Manager's core efforts to reduce the hurdle level of revenues which it needs to earn from merchant sources to cover the dividend to levels that reflect rarely seen low levels of intraday power price volatility, de-risking as much as possible the downside risks for investors. We look forward to providing more information on the implications of the debt raise in coming quarters.

Fundraising

During the period, the Company did not raise any equity funds.

However, just after the end of the period the Company repaid £7m of the Power Bond to an institutional investor and raised £100m in equity through the issue of 89.3m new shares at a price of 112p, a premium of 5% to the prevailing NAV at the time. The equity issue was significantly oversubscribed and a scaling back exercise was undertaken to ensure the Company maintains capital discipline and minimises cash drag.

Net Asset Value (NAV)

In the first half of 2021, the NAV increased 6.93p from 102.96p to 109.89p. This is the result of a combination of factors, most significantly the revaluation of a significant number of recently commissioned projects (five projects totalling 150MW). Another positive driver is a 3.6p improvement from higher cashflow forecasts, driven by higher trading revenue expectations.

This more than offsets a negative impact of c.1.5p from changes to the corporation tax regime (whereby taxes on UK companies will increase from 19% to 25% from FY 2023) prior to modelling of additional tax efficiencies.

The underlying discount rates used to calculate the weighted average discount rate of 5% for Capacity Market revenues and 11.1% for all other revenues, remain unchanged with the weighted average dropping slightly to 10.73%. This reflects the greater proportion of revenues coming from Capacity Market contracts.

The Board, in conjunction with our independent valuer, will review the discount rates used to calculate the NAV, particularly in light of the comparatively low cost of debt secured. This highlights a significant spread between the cost of debt and equity available to the Company, as well as the falling hurdle rate of revenues at which the company covers its dividend, which suggests lower risk from its merchant operations. This review will be undertaken during 2021.

COVID-19

We commented on COVID-19 in the Interim Report and Accounts in 2020. It is pleasing to be able to paint a very different picture 12 months later.

First, demand for power has recovered and may even be showing signs of growth as we migrate to electric vehicles and use more computing power as a nation. This, combined with higher commodity prices (natural gas and carbon in particular) and a rising percentage of renewables, is starting to unlock the much-anticipated healthy backdrop for energy storage. This, combined with higher commodity prices (natural gas and carbon in particular) and a rising percentage of renewables, is starting to unlock the much-anticipated positive strategic backdrop for energy storage.

The ending of lockdowns has also meant that site and construction operations are back to normal.

There have been negative impacts, however, that we are monitoring. The most significant are rising costs in areas like shipping, supply chain impacts and insurance. We do not expect these to persist indefinitely however, and there has been no material impact to date.

Dividend

Dividend cover in H1 2021 was 1.62x with 0.24x of this being derived from locked box income from acquisitions completed in Q1 2021.

Our cash generating operational portfolio allows us to demonstrate a more sustainable dividend paying ability versus comparable funds in the same market and we are pleased to say that we expect full coverage of dividends in 2021.

This is despite the additional dividend burden for H2 2021 created from the recent equity fundraising. We were careful to demonstrate some restraint for this reason and kept our target at £100m despite seeing much larger demand for shares.

As mentioned above, the deployment of the remainder of the recent equity capital raised, as well as of the recently secured debt funding, will take place during 2022 and early 2023. This should drive down the revenue per MW level at which we can meet our target dividend of 7p per share to significantly lower levels compared with prior periods. The Board accordingly remains confident that the current level of dividend is well supported.

With the issue of the Intergovernmental Panel for Climate Change (IPCC) Report in August 2021 and the early responses from the UK Government, it is clear that there is the appetite to accelerate the deployment of renewables in the UK – especially offshore wind which is continuing to increase substantially. The growing role for batteries in providing grid balancing for this additional intermittent generation supports our investment thesis of rising future demand for power storage infrastructure.

John Leggate CBE FREng
Chair
Date: 17 September 2021

Investment Manager's Report

Gresham House Asset Management Limited (GHAM) is wholly owned by Gresham House plc (GH), an AIM-quoted specialist alternative asset manager. GH provides funds, direct investments and tailored investment solutions, including co-investment across a range of highly differentiated alternative strategies. GHAM's expertise includes strategic public equity, private equity, forestry, new energy, housing and other infrastructure.

Ben Guest
Managing Director,
New Energy

During H1 2021, five operational projects were added, contributing a further 110MW in operational assets. These projects are listed as 13 to 17 in the investment portfolio table.

Tynemouth, Nevendon and Port of Tyne added 70MW to what was previously a 50MW portfolio of EFR contracted projects, added through the acquisitions of Glassenbury and Cleator in 2019.

The two remaining additions included the 10MW extension to the Glassenbury project in Kent, known as Glassenbury B, and Byers Brae, a 30MW project, and our first in Scotland, located near Livingston.

It remains the ambition of the Manager to connect all the projects in the tables above during 2022, or in Q1 2023 using a combination of the £220m in equity raised since last November 2020 and the £180m debt facility just secured.

It is anticipated that the total cost of acquisition and commissioning projects will fall meaningfully, as previously disclosed, compared with projects acquired prior to the granting of the change in Investment Policy in November 2020 which allows the Company to take construction risk with capital equivalent to 10% of the Company's Gross Asset Value (GAV).

As previously reported, planning laws have changed in Great Britain, allowing projects of greater than 50MW and the Manager is pleased to report that it is taking advantage of this change, with, currently, three projects which are greater than 50MW in size.

The Manager is now considering its pipeline for 2023 and beyond as the current suite of projects head into construction with completion expected in 2022. The Investment Manager remains confident of its ability to grow its pipeline and to maintain the growth of the Company. This is despite some evidence in the market of increasing developer premiums as new participants enter the market.

Investment portfolio

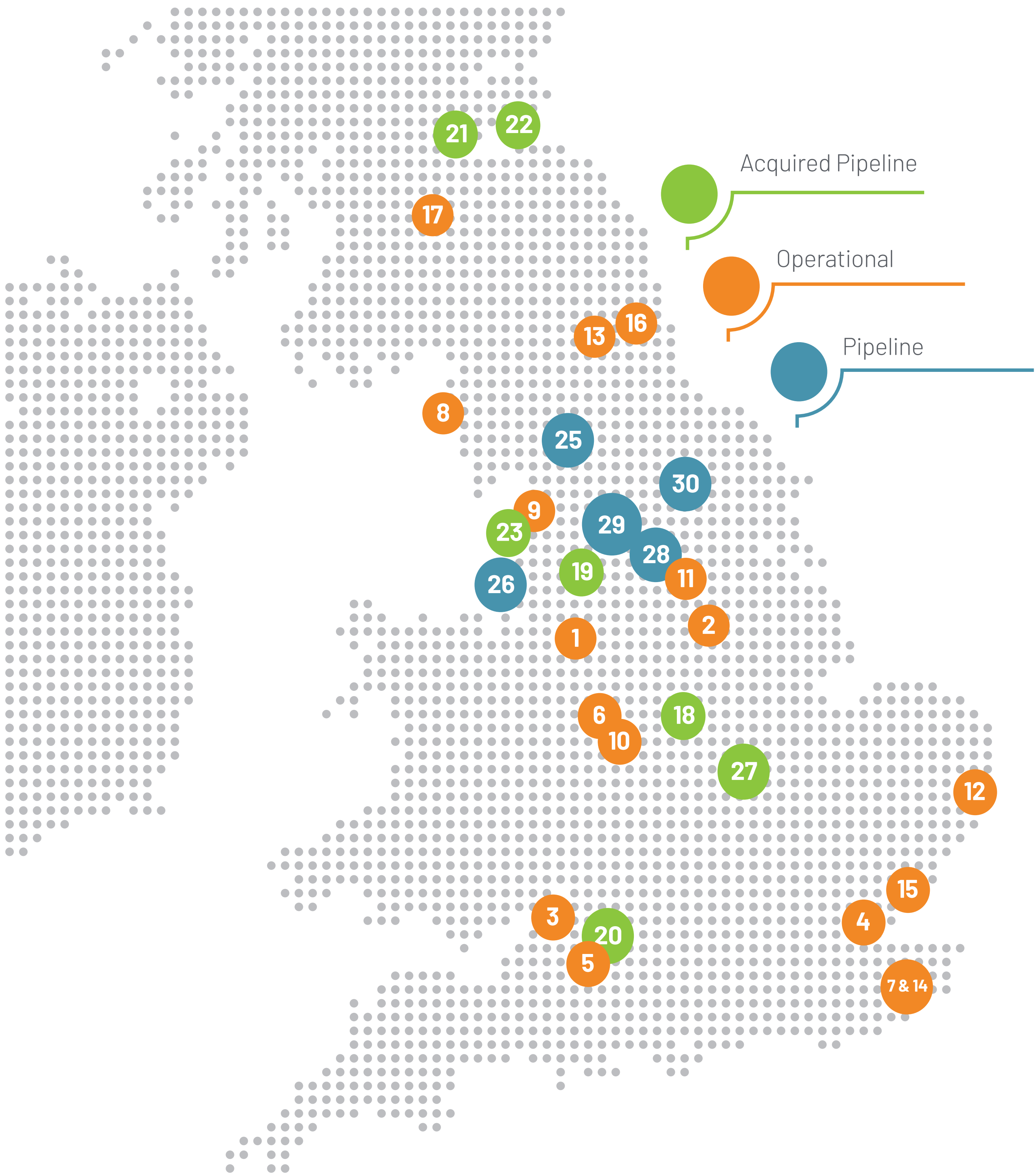
Existing assets	Location	Capacity (MW)	Battery size (MWh)	Site type*	Commissioning status	Ownership status
1. Staunch	Staffordshire	20	2.9	Battery and generators, 0.5MW import	Operational	100% owned
2. Rufford	Nottinghamshire	7	9.5	Battery and generators, symmetrical	Operational	100% owned
3. Lockleaze	Bristol	15	22.1	Battery, symmetrical	Operational	100% owned
4. Littlebrook	Kent	8	6.3	Battery, symmetrical	Operational	100% owned
5. Roundponds	Wiltshire	20	25.8	Battery and generators, 16MW import	Operational	100% owned
6. Wolverhampton	West Midlands	5	7.8	Battery, symmetrical	Operational	100% owned
7. Glassenbury	Kent	40	28.2	Battery, symmetrical	Operational	100% owned
8. Cleator	Cumbria	10	7.1	Battery, symmetrical	Operational	100% owned
9. Red Scar	Lancashire	49	74.3	Battery, symmetrical	Operational	100% owned
10. Bloxwich	West Midlands	41	46.6	Battery, symmetrical	Operational	100% owned
11. Thurcroft	South Yorkshire	50	75.0	Battery, symmetrical	Operational	100% owned
12. Wickham	Suffolk	50	74.0	Battery, 40MW import	Operational	100% owned
13. Tynemouth	Tyne and Wear	25	12.5	Battery, symmetrical	Operational	100% owned
14. Glassenbury Extension	Kent	10	10.1	Battery, symmetrical	Operational	100% owned
15. Nevendon	Basildon	10	5.7	Battery, symmetrical	Operational	100% owned
16. Port of Tyne	Tyne and Wear	35	22.6	Battery, symmetrical	Operational	100% owned
17. Byers Brae	West Lothian	30	30	Battery, symmetrical	Operational	100% owned
18. Enderby	Leicestershire	50	50	Battery, symmetrical	Target COD: Q1 2022	100% owned
19. West Didsbury	Manchester	50	50	Battery, symmetrical	Target COD: Q1 2022	100% owned
20. Melksham	Wiltshire	100	100	Battery, symmetrical	Target COD: H1 2022**	100% acquired subject to satisfaction of conditions
21. Coupar Angus	Scotland	40	40	Battery, symmetrical	Target COD: Q1 2022	100% acquired subject to satisfaction of conditions
22. Arbroath	Scotland	35	35	Battery, symmetrical	Target COD: Q1 2022	100% acquired subject to satisfaction of conditions
23. Penwortham	Preston	50	50	Battery, symmetrical	Target COD: H2 2022	100% acquired subject to satisfaction of conditions
24. Grendon	Northamptonshire	100	100	Battery, symmetrical	Target COD: H2 2022	100% acquired subject to satisfaction of conditions
Total		850	885.5			

**Note: a symmetrical battery system has equal import and export capability to the grid; this increases the level of services the site is able to operate.*
***While the Melksham project is expected to have been completed in Q1 2022, it is becoming likely that National Grid will not be in a position to connect this project until Q2 2022, hence the change from Q1 to H1 compared with previous reports. All other projects scheduled to complete in Q1 2022 remain on track.*

Pipeline summary (as at 30 June 2021)

Pipeline projects	Location	Capacity (MW)	Battery size (MWh)	Site type	Commissioning status
25. Monet's Garden	North Yorkshire	c.50	c.50	Battery, symmetrical	Target COD: H2 2022
26. Lister Drive	Merseyside	c.50	c.50	Battery, symmetrical	Target COD: H2 2022
27. Project E2	West Yorkshire	150	150	Battery, symmetrical	Target COD: H2 2022
28. Stairfoot	North Yorkshire	40	40	Battery, symmetrical	Target COD: Q1 2022
29. Project B	West Yorkshire	87	87	Battery, symmetrical	Target COD: H2 2022
30. Project Y	York	50	50	Battery, symmetrical	Target COD: H2 2022
Total		c.427	c.427		

Portfolio



Acquired Pipeline
Operational
Pipeline
21
22
17
16
13
8
25
30
9
23
29
28
19
26
11
2
1
6
18
10
27
12
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4
3
20
5
7 & 14

Fund and portfolio performance
The Portfolio has performed well in the first half of 2021, generating net earnings for dividend cover of £19.7m resulting in dividend cover in the Company of 1.38x, excluding lockbox income. Dividend cover at this level is gratifying, given that much of capital raised in November 2020 is still being deployed (see further below).

The Company therefore remains on track to distribute 7.0p per Ordinary Share in 2021 and anticipates that dividends will be fully covered in 2021. The latter is in spite of the further £100m in equity raised in July, committed to projects already that are scheduled to commission during 2022. The Company paid, on 30 July (declared ex-dividend before the close of the last fundraising) 1.75p per share for the period from 1 April to 30 June 2021, resulting in total dividends for the half year of 3.5p per share.

The Ongoing Charges Figure (OCF) for the Fund for the year to 31 December 2020 was 1.26%, which we believe is lower than comparable listed funds in the market. For the six-month period ended 30 June 2021 the Ongoing Charges Figure was 1.27%. Over time the OCF is expected to decline, driven by the rising Net Asset Value of the Company which then drives a drop in incremental management fees to the Manager to 0.9% (from 1.0%) above £250m and then to 0.8% above £500m.

Frequency response continued to dominate the revenue mix, as expected given the shortage of BESS capacity to meet the National Grid's demand for this service.

Trading income generated 5.5% of revenues in the period, and this was driven mostly by opportunities early in the year when, as reported in the Annual Report and Accounts for 2020, volatility reached extreme levels.

The operational uptime of our asset portfolio at 99.4% has been strong with most sites achieving close to their potential.

Degradation of the batteries remains modest as a result of their application in Dynamic Containment. However, the financial projections have not been altered in terms of when upgrades need to take place in order to provide some margin of safety, which the Manager deems appropriate as the use of batteries is still so nascent and other factors may yet influence degradation less favourably.

In terms of construction operations, the sites that have been committed to for Q1 2022 (or H1 2022 in the case of Melksham) have been de-risked as much as possible in terms of long lead items.

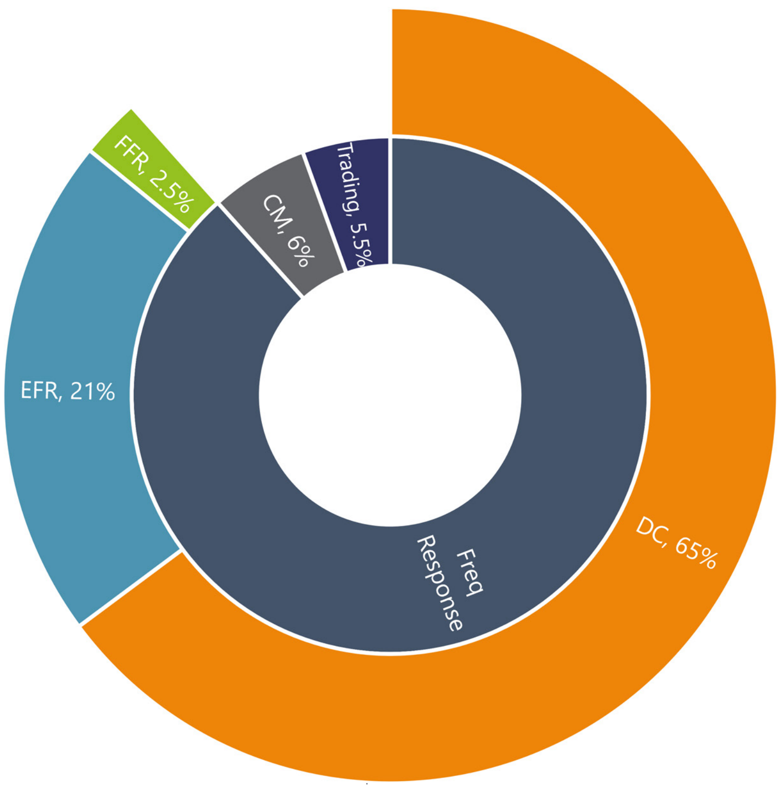
H1 2021 portfolio asset revenue	Revenue (£m)	Share of total operating revenue (%)
Firm Frequency Response FFR	0.62	2.5%
Enhanced Frequency Response EFR	5.25	21.0%
Dynamic Containment DC	16.18	65.0%
Frequency Response Total	22.04	88.5%
Trading	1.36	5.5%
Capacity Market	1.53	6.0%
Operating revenues from assets owned	**24.93**	

Meanwhile, in terms of construction programmes, work is set to start in earnest at all sites in September 2021. For completeness, this applies to the 275MW announced which committed the £120m raised in November 2020 (Enderby, West Didsbury, Melksham, Coupar Angus and Arbroath) and 40MW (Stairfoot) of the further 240MW announced during the recent fundraising in July 2021 in order to commission the sites in Q1 2022.

As mentioned earlier in this section, while the Melksham project's construction is scheduled to complete in Q1 2022, National Grid has indicated that it will not be possible to secure a winter (defined as the period between winter clock changes) outage and so this project may not be commissioned until Q2 2022.

All other sites not included above, including those already acquired but not operational or in the pipeline, are in the design and construction evaluation phase, with the aim of finalising pre-construction arrangements during the remainder of this year.

H1 2021 Portfolio Revenue Split



Market update
Compared with the situation in mid 2020, the backdrop is much improved as the importance of BESS' role in providing flexibility has become increasingly clear. This is reflected in the analysis below.

There are three key trends that we follow in the market today:

i. Developments in the frequency response market, in terms of demand and innovation
ii. The trading backdrop through evaluation of demand and the generation mix
iii. Total installed capacity of BESS systems in the UK

Taking each of these in turn:

i) Frequency response market

This market has evolved very significantly, with overall demand almost 1GW higher than it was this time last year, thanks to the launch of Dynamic Containment in October 2020. The industry also has Dynamic Modulation and Dynamic Regulation services to look forward to which are expected to launch in H2 2021. It is also important to note that Enhanced Frequency Response contracts will expire and will not be replaced (200MW) and Firm Frequency response or FFR will be gradually phased out as new services bed in. Overall demand is expected to increase although demand is also seasonal with greater demand in the summer months.

Another important development in this marketplace is that four-hourly contracting will begin in September this year. As such, demand will not just be seasonal but also vary intraday, with evening demand being lower. This is likely to lead to saturation of the night-time frequency response market first. As we see this happen, we will be on alert to favour trading activities for the first time.

Despite the gradual saturation of the frequency response market over the next 12 to 18 months, we are excited about the market migrating to its long-term positioning by providing half hourly energy supply and demand balancing through batteries being traded in the Balancing Mechanism or the wholesale market.

ii) Trading outlook

It is worth reflecting on the importance of events in 2020 that has led to the improved trading backdrop today.

In Q3 2020, in particular, trading conditions were challenging with demand up to 20% below normal levels and gas prices at multi-decade lows, depressing intraday peak power prices as demand was being met by zero marginal cost renewables or very low-cost gas fired generation (due to the low gas prices).

The biggest challenge however was the consistent use by National Grid of gas-fired generation to balance supply and demand, rather than batteries, which are a cheaper and more carbon-efficient solution. The environment in 2020 highlighted the need for energy storage as this use of gas fired generation in the Balancing Mechanism (to balance supply and demand in each half hourly trading period) proved very expensive to the end consumer and wasteful of renewable energy, which was curtailed in record quantities.

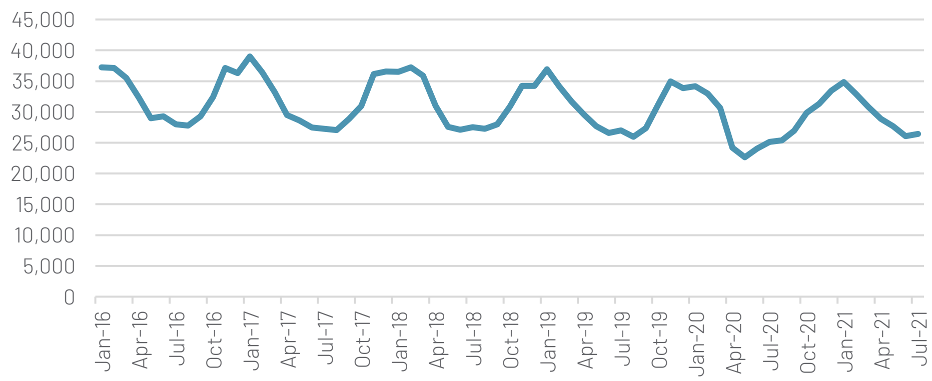
This environment also catalysed the decommissioning of gas-fired generation with the Calon Energy Ltd fleet going into administration. Sutton Bridge, one of the three sites in the Calon Energy fleet portfolio of three with 850MW of capacity, is being decommissioned despite entering operations as recently as 1999.

This gradual decommissioning reduces the amount of gas-fired generation able to behave flexibly, revealing the true underlying volatility in supply and demand imbalances as renewables roll out further. This is starting to be reflected in higher power prices and is further supported by rising electricity demand for the first time in over a decade.

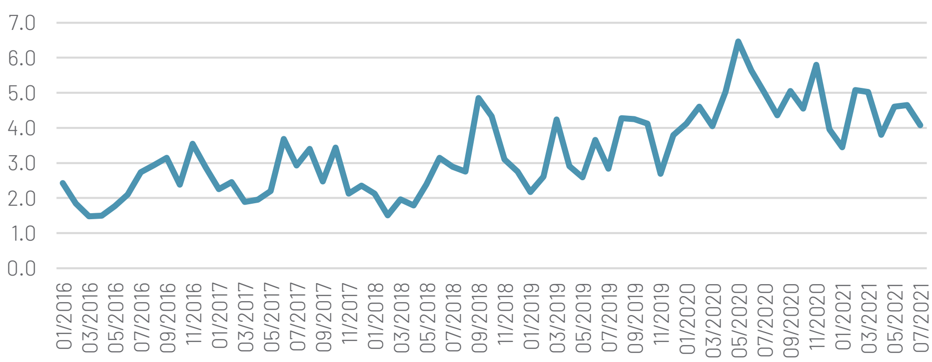
iii) Total installed capacity of BESS

Total installed capacity of BESS has increased, but it is proving a slow process as it takes time to develop these sites. As such, installed capacity has increased from c.1.1GW at the start of 2021 to c.1.3GW today and is expected to increase to c.1.5GW by the end of 2021. While this is a significant percentage increase, it is from a low base and lags the deployment of renewables. As a result, BESS installations are not keeping up with the needs of the system. An indicator of this is the continued rise in the underlying trend in the system balancing costs as batteries are still mostly used for frequency response and more expensive options remain the norm for National Grid in terms of what sort of generation they rely on to provide reserve capacity and flexible generation.

National Demand (MW, monthly averages)



BSUoS (GBP/MWh)

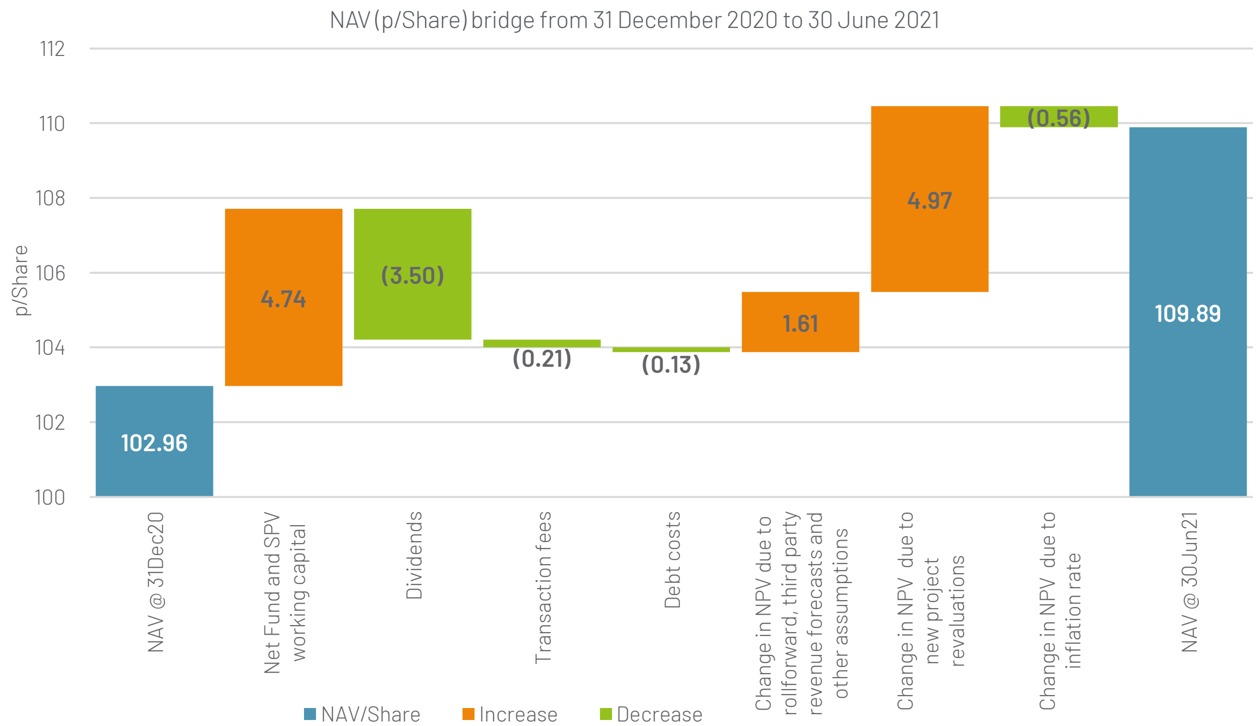


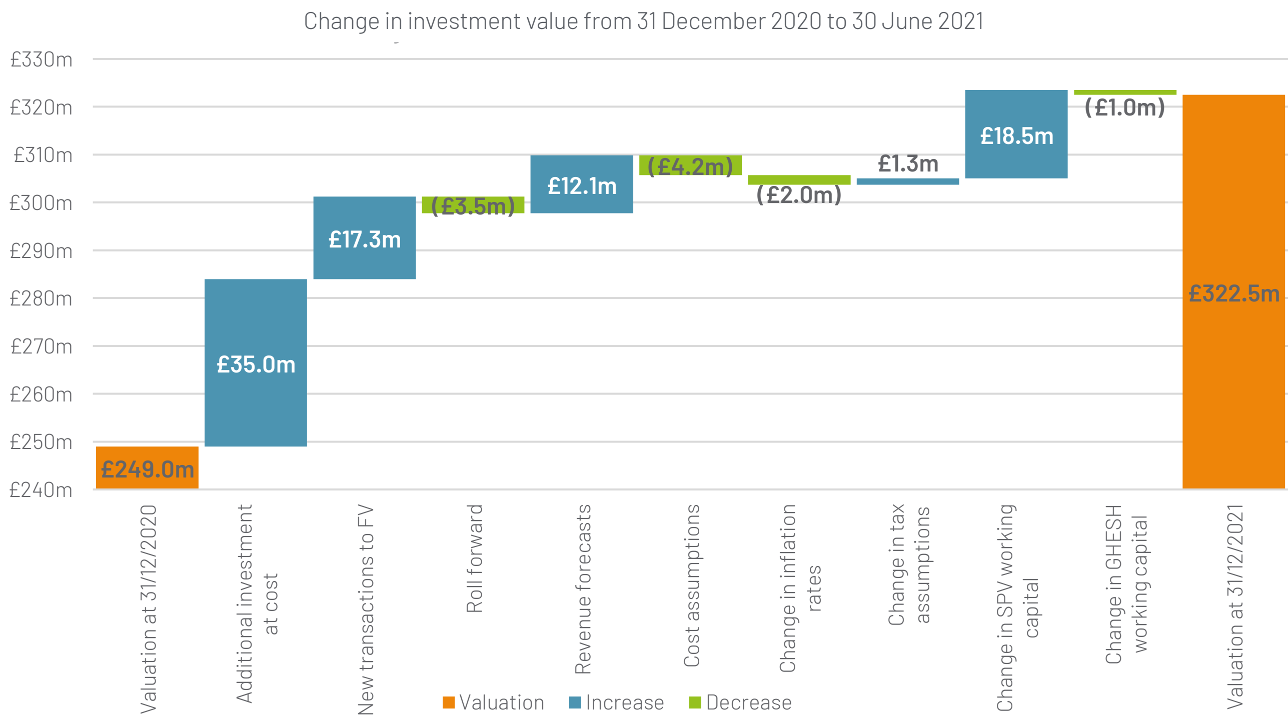
Valuation

NAV per share has risen from 102.96p per Ordinary Share at 31 December 2020 to 109.89p per Ordinary Share at 30 June 2021.This equates to a NAV Total Return (i.e. including dividends) of 10.03% in the six-month period.

Most of the increase in the NAV per share is driven by the revaluation of recently commissioned projects, while a net improvement in forecasts, driven by a recovery in revenue assumptions following a drop in 2020 also contributed positively, despite the impact of higher tax rate assumptions following the Government's last Budget.

The key changes in the valuation bridge below, over and above the changes seen in the NAV per share bridge, are from the acquisitions that have taken place this year. Modelling of further tax efficiencies available to the portfolio offset the decrease in value from higher tax rates. Inflation assumptions were reduced slightly from 2030 with the largest impact being on revenue expectations in outer years.





Board and Investment Team

Investment Team

Ben Guest
Managing Director,
New Energy

Ben has 26 years of investment experience, Ben's expertise spans the investment spectrum, across infrastructure, public equities and venture capital.

Ben is responsible for the origination and execution of investment opportunities at Gresham House, alongside ongoing portfolio management.

Ben currently serves as a Director of over 40 companies and until recently was the Non-Executive Chairman of Oxis Energy, a UK advanced battery power company.

Bozkurt Aydinoglu
Investment Director,
New Energy

Bozkurt dedicated the early part of his career to funding and advising companies in the telecommunications and technology industries, whilst in roles at Nomura, Salomon Brothers, Bowman Capital and Deloitte & Touche.

In 2002, Bozkurt cofounded and built New Energy Finance (NEF), which became the leading provider of data, research and analysis to investors in the global cleantech industry. NEF was acquired by Bloomberg in December 2009.

Gareth Owen
Investment Director,
New Energy

Gareth was a Partner at Hazel Capital (now Gresham House New Energy) and has over 18 years' experience executing structured transactions across a variety of sectors.

Before Hazel Capital, Gareth worked at Barclays Natural Resource Investments, a captive private equity fund investing in the natural resource and renewable energy sectors.

Prior to this, Gareth worked in the Structured Capital Markets divisions of Barclays Capital and Deutsche Bank, handling the acquisition and disposal of various asset-based companies.

Rupert Robinson
Managing Director,
Gresham House Asset Management Limited

Rupert is the Managing Director of Gresham House Asset Management Limited and has 30 years' experience in asset management and wealth management, focused on product innovation, investment management, business development, banking and wealth structuring.

Rupert was previously CEO and CIO of Schroders (UK) Private Bank and head of private clients at Rothschild Asset Management Limited.

Stephen Beck
Finance Director,
Real Assets

Stephen has 25 years of industry experience and is a law graduate and Barrister and was called to the Bar in 1996. He is also a Fellow of the Institute of Chartered Accountants of England and Wales and qualified with Pricewaterhouse-Coopers.

Within Gresham House, he leads an in-house finance team managing the New Energy, Renewables, Commercial Forestry and Housing strategies. Prior to this, Stephen worked at E.ON, where he held a variety of financial and commercial roles, ranging from leading large finance teams, developing power station projects, M&A transactions and working with HM Government delivering low carbon solutions.

The Company has a Board of four Independent Non-Executive Directors.

The Board has 25% female representation. The Board has also adopted a formal diversity policy and considers diversity on the Company's Board as an important supplement to the Board's existing skills, experience and knowledge.

All appointments to the Board are, and will continue to be, subject to a formal, rigorous and transparent procedure as required by the AIC Code.

The Board's requirements for vacancies on the Board are set with reference to objective criteria and promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

Further, the Board reviews, at least annually, its effectiveness and its combination of skills, experience and knowledge. The Board conducts an externally facilitated effectiveness evaluation every three years, with its first such evaluation taking place during 2021.

The Board has been in situ since the Company's IPO in November 2018. While it is too early to be considering formal succession planning for existing Directors, the Board will focus on this matter further as part of its annual Board Evaluation process from 2021 onwards.

Board

John Leggate, CBE FREng
Chair and Independent Non-Executive Director

John is highly experienced as an energy sector executive and is a venture investor in the "clean tech" and digital technologies. John has significant board experience and is currently on the board of cyber security firm Global Integrity in Washington DC and is a senior advisor in the energy sector to a "blue chip" international consultant. John was appointed to the Board on 24 August 2018

Significant interests: John is a Director of Flamant Technologies and Global Integrity, Inc.

Catherine Pitt
Chair of the Nominations Committee and Independent Non-Executive Director

Cathy is a legal adviser who has specialised in the investment company sector for over 20 years. Cathy is currently a consultant partner at CMS, a top 10 global law firm. Cathy was appointed to the Board on 1 March 2019.

Significant interests: Cathy is a Consultant and former Partner at CMS Cameron McKenna Nabarro Olswang LLP and a Director of Baillie Gifford UK Growth Trust PLC.

David Stevenson
Chair of the Remuneration Committee and Independent Non-Executive Director

David is a financial journalist and commentator for a number of leading publications including The Financial Times (the Adventurous Investor), Citywire, and MoneyWeek. He is also Executive Director of the world's leading alternative finance news and events service www.altfi.com, which focuses on covering major trends in marketplace lending, crowdfunding and working capital provision for small to medium sized enterprises as well as www.ETFstream.com. David was appointed to the Board on 24 August 2018.

Significant interests: David is a Director of Aurora Investment Trust plc; 321 Publishing and TV Limited; Altfi Limited; Altfi Data Limited; Bramshaw Holdings Limited; ETF Stream Limited; Planet Sports Rights Limited; Rocket Media LP; The Secured Income Fund plc; Stockmarkets Digest Limited; and Windhorse Aerospace Limited.

Duncan Neale
Audit Committee Chair and Independent Non-Executive Director

Duncan is a CFO and Finance Director with over 20 years of commercial experience working for both publicly listed and privately-owned companies. Duncan is a Fellow of the Institute of Chartered Accountants and qualified with Price Waterhouse in London. Duncan was appointed to the Board on 24 August 2018.

Significant interests: Duncan is a Trustee of the Cambodian Children's Fund UK and a Director of DJN Consultancy Limited.

Directors' Report

John Leggate, CBE FREng
Non-Executive Chair

The Directors present the Interim Report and Accounts of the Company for the period ended 30 June 2021.

The Directors during the period, including their appointment dates, are set out in the Board of Directors summary on page 12.

Company Performance
The Directors have reviewed the performance of the Company throughout the period. Details of the performance of each investment owned by the Company are included the Investment Manager's Report on page 5.

The Directors and Investment Manager have developed several tools to review ongoing performance. These include ongoing monthly and quarterly dashboards detailing the performance of each investment in relation to the individual income streams expected of each investment and performance against costs. As the Company deploys capital raised the Directors have a focus on the underlying investment model for each new investment to ensure it meets the Investment Objectives of the Company.

The Directors are satisfied that underlying performance is being developed in line with expectations: the rollout programme of new investments and upgrades and extensions of investments acquired at IPO is continuing to progress well and has ensured an increasing level of operational performance throughout 2021 so far, which is summarised within the Chair's Statement on page 3.

Financial Risk Management
The Board believes that the main financial risks of the Company relate to the requirement to ensure the capital commitments of the Company are commensurate with the capital available and the ability of the underlying investments to generate income to the Company to ensure the targeted dividend payments can be paid to investors. The Board constantly monitors these financial risks.

At the present time, the Company and its underlying investments are subject only to £8m bonds as financial leverage. Following the successful debt raised these bonds will be redeemed. The Company has the ability to assume up to 50% of gearing. The current facility is anticipated to result in 25-30% gearing once fully drawn.

Share capital
At the period end, the Company had in issue 348,556,364 Ordinary Shares. There are no other share classes in issue. All shares have voting rights; each Ordinary Share has one vote.

All Ordinary Shares entitled to receive dividends and interim dividends have been paid by the Company, as shown in the table below. No final dividend has been or will be declared, but the Company's dividend policy of paying four interim dividends will be tabled for approval at each annual general meeting.

Dividends are not recognised in the financial statements of the Company until paid.

The results of the Company are disclosed in the Investment Manager's Report on page 5 of this Interim Report and Accounts.

Period in relation to which dividend was paid	Announcement date	Ex-dividend date	Payment Date	Amount per Ordinary Share	Total amount
1 October to 31 December 2020	19 February 2021	4 March 2021	26 March 2021	1.75p	£6,099,736.37
1 January to 31 March 2021	28 April 2021	13 May 2021	4 June 2021	1.75p	£6,099,736.37
1 April to 30 June 2021	1 July 2021	8 July 2021	30 July 2021	1.75p	£6,099,736.37

Substantial interests

As at the date of this Interim Report and Accounts, the Company had been notified of the following beneficial interests exceeding 3% of the issued share capital, being 437,842,078 Ordinary Shares.

Shareholder	Number of Ordinary Shares	Percentage of issued share capital to date
Sarasin & Partners LLP	34,852,576	7.96%
Gresham House plc	25,857,647	5.91%
CCLA Investment Management Limited	21,814,131	4.98%
Newton Investment Management Limited	21,757,672	4.97%
Gravis Capital Management	21,062,210	4.81%
Close Asset Management Limited	20,440,570	4.67%
Schroders plc	20,200,797	4.61%
East Riding Pension Fund	13,936,616	3.18%
Benjamin Guest (and family)	14,383,826	3.29%

Annual General Meeting

The Company's second Annual General Meeting (AGM) was held on 21 June 2021. All resolutions proposed to the Company's shareholders at this AGM were duly passed on a poll vote.

Directors Remuneration and Interests

Details of the gross fees paid to Directors in the period are set out below.

	Fixed salary and fees for period from 1 Jan 2021 to 30 June 2021 £	Short term variable pay period from 1 Jan 2021 to 30 June 2021 £	Total fixed remuneration period from 1 Jan 2021 to 30 June 2021 £	Total variable remuneration period from 1 Jan 2021 to 30 June 2021 £
Catherine Pitt	22,500	-	22,500	-
David Stevenson	22,500	-	22,500	-
Duncan Neale	31,250	-	31,250	-
John Leggate	40,000	-	40,000	-
Total fixed remuneration	**116,250**	**-**	**116,250**	**-**

In accordance with FCA Listing Rules 9.8.6(R)(1), Directors' interest in the shares of the Company (in respect of which transactions are notifiable to the Company under FCA Disclosure and Transparency Rule 3.1.2(R)) as at the date of this Interim Report and Accounts are shown below:

Director	Number of Ordinary Shares	Percentage of total issued share capital
Catherine Pitt	23,093	0.0053%
David Stevenson	18,330	0.0042%
Duncan Neale	13,425	0.0031%
John Leggate	46,875	0.0107%
Total Shares	**101,723**	

Directors' responsibilities

The Directors are responsible for preparing the Interim Report and Accounts 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 are required to prepare the financial statements and have elected to prepare the company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Interim Report and Accounts, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Interim Report and Accounts are made available on the Company's website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities
The Directors confirm to the best of their knowledge:

- the Interim Report and Accounts have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Chair's Statement and Interim Investment Manager's Report include a fair review of the development, performance and position of the Company and a description of the principal risks and uncertainties, that it faces for the next six months as required by DTR 4.2.7.R of the Disclosure Guidance and Transparency Rules; and
- the Investment Manager's Interim Report and Note 21 to the Condensed Financial Statements include a fair review of related party transactions and changes therein, as required by DTR 4.2.8.R of the Disclosure Guidance and Transparency Rules.

Insurance cover
Directors' and Officers' liability insurance cover is held by the Company in respect of the Directors.

Corporate governance
The Board of Gresham House Energy Storage Fund plc (the Company) has considered the Principles and Provisions of the 2019 AIC Code of Corporate Governance (the "AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional Provisions on issues that are of specific relevance to the Company.

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

The Company has complied with the Principles and Provisions of the AIC Code save in respect of the appointment of a Senior Independent Director. The Company has not appointed a Senior Independent Director as the Board considered this to be unnecessary as the function of a Senior Independent Director is performed by all of the Directors in their support for the Chair and their availability to engage with shareholders on key issues. The Board will review this requirement during the 2021 board effectiveness assessment.

The AIC Code is available on the AIC website (https://www.theaic.co.uk/aic-code-of-corporate-governance). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

Going Concern
The Directors have adopted the going concern basis in preparing this Interim Report and Accounts. The Going Concern Statement is detailed on page 23 of this Interim Report and Accounts.

Future Developments
Future developments in the Company are detailed in the Chair's Statement on page 3 and the Investment Manager's Report on page 5.

Post Balance Sheet Events
Post Balance Sheets are disclosed in Note 23 of the Accounts on page 36.

This Directors' Report is approved on behalf of the Board by

John Leggate CBE, FREng
Chair
17 September 2021

Principal Risks and Uncertainties

The Company recognises that effective risk management is critical to enable it to meet its strategic objectives. The Company has a clear framework for identifying and managing risk, both at an operational and strategic level. Its risk identification and mitigation processes have been designed to respond to the changing environment in which it operates. The impact of emerging risks on the Company's business model are also considered and used to make informed decisions, including as to the delivery and evolution of the Company's strategy. The table below captures those risks that would have the most significant adverse impact on the Company (and the underlying investments), based on their impact and/or likelihood.

Risk area	Gross impact	Mitigation	Net impact
1. Environmental, Social and Governance	BESS are manufactured, installed and operated with the intention of driving the transformation to a low carbon energy supply in the UK. However, the lifecycle ESG impact of the batteries needs to be considered and minimised.	The supply for battery manufacture relies on high quality global partners who ensure their supply chain does not involve the use of illegally or unethically sourced "rare earth" materials or poor labour standards. The recycling of the BESS systems is subject to constant development and research: the importer of these batteries (not the Company) is responsible for their disposal, but the Company will facilitate this to ensure low environmental impact.	Some aspects of this are still evolving over time, especially the end use / recycling of BESS. However, the ability of the BESS market to drive a low carbon electricity system needs to be considered versus the other, mainly fossil fuelled, options when considering the overall ESG impact of BESS.
2. Emerging business model and impact on revenue streams	Adverse changes by National Grid in relation to services contracted by them may reduce the size / scope of income earning opportunities to the Company's investments.	The Company's investments enjoy several different income streams ranging from Balancing Mechanism, Capacity Payments, Firm Frequency Response, TRIADs and Dynamic Containment (soft launched in October 2020) as contracted services to National Grid: the Company's investments are able to change which income streams are contracted and ascertain the most advantageous on any given time period. Due to the decommissioning of other carbon intensive options available to National Grid for managing these services, BESS is expected to form an integral part of transforming the electricity sector in the UK.	Battery energy storage is a versatile asset, and it can perform a variety of roles to manage risk. There is also the potential to "revenue stack" and gain multiple revenue streams from different services.

Risk area	Gross impact	Mitigation	Net impact
3. Operational and performance risk	The BESS do not perform in the manner expected (i.e. degradation in performance) or are not optimised in the best commercial manner to capture revenue streams. Performance may not meet planning or safety requirements and result in curtailment of operations. The Portfolio will rely on contracts with suppliers to maintain certain key equipment: these suppliers may fail to provide adequate support.	The Company underwent a programme of upgrades to the Seed Assets to optimise these assets and has ensured that new assets are designed in a flexible manner. The battery duration is also considered to ensure fullest flexibility for future operation. Design and commissioning testing ensure all relevant planning and HSE conditions are met. Fire risk, in particular, is carefully assessed and sites are designed and operated to ensure this risk is as low as practicable. The portfolio has a number of different suppliers to manage risk.	The Company has substantial experience managing BESS assets and works with leading asset optimisers to ensure assets are designed and operated as expected. Health and Safety performance is rigorously tested and reviewed.
4. Investment in development and construction projects	The Company invests in projects via loans before the projects are owned by the Company. There is a risk that the project does not complete, and the Company incurs financial loss. The Company invests in construction projects. There is a risk of financial loss or delay.	The Company does not invest in speculative project development. Any investments in projects are carefully assessed and vetted by the Investment Manager: they will have secured certain minimum requirements and are expected to be ready to proceed to construction in a relatively short timescale. The Company is usually investing in the advance purchase of equipment which has inherent value and can be used on other projects if needed.	Limited exposure to the Company due to careful vetting and management of project development activities and commercial arrangements with the Manager to manage construction risk.
5. Emerging technology	The Company invests in battery storage projects: a new or disruptive technology might adversely impact on the Company's investments.	The Company utilises proven technologies with associated Tier 1 supplier warranties and performance guarantees. Whilst the cost of these batteries is expected to continue to fall and incremental performance improvements accrue in future, it is unlikely that a completely new and reliable technology will appear during the lifetime of these batteries. The Company continues to review available technologies.	Falling cost of batteries may reduce future income streams if new entrants have significantly lower marginal costs. However, the Company will also benefit from lower costs and the valuation model assumes continuing cost reductions for replacement assets over time.
6. COVID-19 pandemic	The pandemic can impact adversely both on delivery of new battery capacity projects in construction through labour travel restrictions or inability to source key materials / parts from overseas due to shipping problems or production shortages.	Energy was, and remains, a key industry in the UK and the construction of these assets continues. Remote commissioning with overseas technical experts was utilised to ensure project commissioning could continue. Shipping costs and capacity to deliver equipment for new projects remains a concern, many components are sourced overseas and the Investment Manager works closely with key providers to ensure key components are ordered in advance.	Limited overall impact expected in the future.

Unaudited Condensed Statement of Comprehensive Income

For the period from 1 January 2021 to 30 June 2021

Company number 11535957

1 January 2021 to 30 June 2021	**Notes**	**Revenue unaudited (£)**	**Capital unaudited (£)**	**Total unaudited (£)**
Net gain on investments at fair value through the profit and loss	5	10,670,174	27,891,255	38,561,429
Other income		90,000	-	90,000
Total income		10,760,174	27,891,255	38,651,429
Transaction fees		-	57,355	57,355
Legal and professional fees		-	(229,901)	(229,901)
Other administrative expenses	7	(2,153,981)	-	(2,153,981)
Total administrative and other expenses		(2,153,981)	(172,546)	(2,326,527)
Profit before tax		**8,606,193**	**27,718,709**	**36,324,902**
Taxation	8	-	-	-
Profit after tax and total comprehensive income for the period		**8,606,193**	**27,718,709**	**36,324,902**
Profit per share (basic and diluted) - pence per share	9	2.47	7.95	10.42

1 January 2020 to 30 June 2020	**Notes**	**Revenue unaudited (£)**	**Capital unaudited (£)**	**Total unaudited (£)**
Net gain/(loss) on investments at fair value through the profit and loss	5	4,631,312	(4,162,440)	468,872
Interest on loans to related parties	6	781,088	-	781,088
Bank interest		23,037	-	23,037
Other income		75,295	-	75,295
Total income/(loss)		**5,510,732**	**(4,162,440)**	**1,348,292**
Administrative and other expenses				
Transaction fees		-	(83,376)	(83,376)
Legal and professional fees		-	(306,771)	(306,771)
Other administrative expenses	7	(1,413,551)	-	(1,413,551)
Total administrative and other expenses		(1,413,551)	(390,147)	(1,803,698)
Profit/(loss) before tax		**4,097,181**	**(4,552,587)**	**(455,406)**
Taxation	8	-	-	-
Profit/(loss) after tax and total comprehensive income for the period		**4,097,181**	**(4,552,587)**	**(455,406)**
Profit(loss) per share (basic and diluted) – pence per share	9	1.83	(2.03)	(0.20)

All items dealt with in arriving at the result for the period relate to continuing operations.
The notes on pages 23 to 36 form an integral part of these Condensed Financial Statements.

Unaudited Condensed Statement of Financial Position

As at 30 June 2021

Company number 11535957

	Notes	30 June 2021 unaudited (£)	31 December 2020 audited (£)
Non-current assets			
Investment in subsidiaries at fair value through profit or loss	10	322,270,287	248,964,175
Other equity investments	10	238,095	-
		322,508,382	248,964,175
Current assets			
Cash and cash equivalents	12	61,154,974	110,967,025
Trade and other receivables	13	420,727	274,427
Loans receivable	11	-	-
		61,575,701	111,241,452
Total assets		384,084,083	360,205,627
Current liabilities			
Trade and other payables	14	(1,068,243)	(1,315,217)
		(1,068,243)	(1,315,217)
Total net assets		383,015,840	358,890,410
Shareholders' equity			
Share capital	19	3,485,564	3,485,564
Share premium	19	251,601,260	251,601,260
Merger relief reserve	20	13,299,017	13,299,017
Capital reduction reserve	20	51,924,145	64,123,617
Capital reserves	20	40,586,071	12,867,362
Revenue reserves	20	22,119,783	13,513,590
Total shareholders' equity		383,015,840	358,890,410
Net asset value per share (pence)	18	109.89	102.96

The Interim Report and Accounts were approved and authorised for issue by the Board of Directors and are signed on its behalf by:

John Leggate CBE, FREng ______________________
Chair
Date: 17 September 2021

The notes on pages 23 to 36 form an integral part of these Condensed Financial Statements.

Unaudited Condensed Statement of Changes in Equity

For the period from 1 January 2021 to 30 June 2021

1 January 2021 to 30 June 2021	Note	Share capital (£)	Share premium reserve (£)	Merger relief reserve (£)	Capital reduction reserve (£)	Capital reserves (£)	Revenue reserves (£)	Total shareholders equity (£)
As at 1 January 2021		3,485,564	251,601,260	13,299,017	64,123,617	12,867,362	13,513,590	358,890,410
Comprehensive income for the period		-	-	-	-	-	-	-
Profit for the period		-	-	-	-	27,718,709	8,606,193	36,324,902
Total comprehensive income for the period		-	-	-	-	27,718,709	8,606,193	36,324,902
Transactions with owners								
Dividends paid	19	-	-	-	(12,199,472)	-	-	(12,199,472)
As at 30 June 2021	**19**	**3,485,564**	**251,601,260**	**13,299,017**	**51,924,145**	**40,586,071**	**22,119,783**	**383,015,840**

1 January 2020 to 30 June 2020		(£)	(£)	(£)	(£)	(£)	(£)	(£)
As at 1 January 2020		2,042,707	104,380,109	13,299,017	78,465,533	4,124,431	3,567,563	205,879,360
Comprehensive income for the period		-	-	-	-	-	-	-
(Loss)/profit for the period		-	-	-	-	(4,552,587)	4,097,181	(455,406)
Total comprehensive income for the period		-	-	-	-	(4,552,587)	4,097,181	(455,406)
Transactions with owners								
Ordinary Shares issued at a premium during the period	19	300,000	30,900,000	-	-	-	-	31,200,000
Share issue costs	19	-	(509,930)	-	-	-	-	(509,930)
Dividends paid	19	-	-	-	(6,142,442)	-	-	(6,142,442)
As at 30 June 2020	**19**	**2,342,707**	**134,770,179**	**13,299,017**	**72,323,091**	**(428,156)**	**7,664,744**	**229,971,582**

The Notes on pages 23 to 36 form an integral part of these Condensed Financial Statements.

Unaudited Condensed Statement of Cash Flows

For the period from 1 January 2021 to 30 June 2021

	Note	1 January 2021 to 30 June 2021 unaudited (£)	1 January 2020 to 30 June 2020 unaudited (£)
Cash flows used in operating activities			
Profit/(loss) for the period		36,324,902	(455,406)
Net gain on investments at fair value through profit and loss	5	(27,891,255)	(468,872)
Interest income	5	(10,670,174)	(804,125)
(Increase)/decrease in trade and other receivables		(146,300)	156,021
(Decrease)/increase in trade and other payables		(246,973)	(1,310,279)
Net cash used in operating activities		**(2,629,800)**	**(2,882,661)**
Cash flows used in investing activities			
Loans made to subsidiaries	10	(34,744,684)	(12,319,675)
Loans receivable	11	-	(20,165,028)
Equity investments		(238,095)	-
Inflow from restricted cash		-	10,843,595
Bank interest received		-	23,037
Net cash used in investing activities		**(34,982,779)**	**(21,618,071)**
Cash flows (used in)/generated from financing activities			
Proceeds from issue of Ordinary Shares at a premium	19	-	31,200,000
Share issue costs	19	-	(509,929)
Issue of redeemable preference shares		-	-
Redemption of redeemable preference shares		-	-
Dividends paid		(12,199,472)	(6,142,442)
Net cash (outflow)/inflow from financing activities		**(12,199,472)**	**24,547,629**
Net (decrease)/increase in cash and cash equivalents for the period		**(49,812,051)**	**46,897**
Cash and cash equivalents at the beginning of the period		**110,967,025**	**52,905,852**
Cash and cash equivalents at the end of the period		**61,154,974**	**52,952,749**

The Notes on pages 23 to 36 form an integral part of these Condensed Financial Statements.

Notes to the Financial Statements

For the period from 1 January 2021 to 30 June 2021

1. General information

Gresham House Energy Storage Fund plc (the Company) was incorporated in England and Wales on 24 August 2018 with company number 11535957 as a closed-ended investment company. The Company's business is as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010. The registered office of the Company is The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF. Its share capital is denominated in Pounds Sterling (GBP or £) and currently consists of Ordinary Shares. The Company's principal activity is to invest in a diversified portfolio of operating utility-scale Energy Storage Systems (BESS), which utilise batteries and may also utilise generators. The BESS projects comprising the portfolio are located in diverse locations across Great Britain. These interim Financial Statements cover the period from 1 January 2021 to 30 June 2021, with a comparative period from 1 January 2020 to 30 June 2020.

2. Basis of preparation

Statement of compliance

The Interim Report and Accounts have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union. The Condensed Financial Statements have been prepared on a historical cost basis except for financial assets and liabilities at fair value through the profit or loss. The accounts have been prepared on a basis that is consistent with accounting policies applied in the preparation of the Company's Annual Financial Statements for 31 December 2020.

Where presentational guidance set out in the Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', issued by the Association of Investment Companies (AIC) is consistent with the requirements of IFRS, the Directors have prepared the Interim Condensed Financial Statements on a basis compliant with the recommendations of SORP. The supplementary information which analyses the Statement of Comprehensive Income between items of revenue and a capital nature is presented in accordance with the SORP.

These Condensed Financial Statements do not include all information and disclosures required in the Annual Financial Statements and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2020, which were prepared under full IFRS requirements as adopted by the EU and the DTRs of the UK FCA. The comparative period is for the period from 1 January 2020 to 30 June 2020.

Functional and presentation currency

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

Going concern

The Directors have considered the impact which COVID-19, could have on the ability of the Company to continue as a going concern. A key risk facing the Company is that investments may not be able to make distributions or pay interest if they are not able to continue to operate the assets or dysfunctional markets affect trading operations.

The Company and the Investment Manager have so far been able to ensure the operational integrity of the projects is maintained particularly in terms of Operations & Maintenance and in terms of all planned commercial activities, including Asset Optimisation and in their view, power generation will remain essential to the UK's infrastructure.

As at 30 June 2021, the Company had net current assets of £62m and had cash balances £61m (excluding cash balances within investee companies), which are sufficient to meet current obligations as they fall due. The major cash outflows of the Company are the costs relating to the acquisition of new assets and payment of dividends, both of which are discretionary. The Company had no outstanding debt owing as at 30 June 2021. The Company has no financial guarantees to support the Bonds held by its subsidiary, Gresham House Energy Storage Holdings (the Midco).
As such, the directors have adopted the going concern basis in preparing the Interim Report and Accounts.

3. Signicant accounting judgements, estimates and assumptions

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

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

Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them unless they provided investment related services to the Company and are not themselves investment entities. To determine that the Company continues to meet the definition of an investment entity, the Company is required to satisfy the following three criteria:

a. the Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;
b. the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
c. the Company measures and evaluates the performance of its investments on a fair value basis.

The Company meets the criteria as follows:

- the stated strategy of the Company is to deliver stable returns to shareholders through a mix of energy storage investments;
- the Company provides investment management services and has several investors who pool their funds to gain access to infrastructure related investment opportunities that they might not have had access to individually;
- the Company has elected to measure and evaluate the performance of all of its investments on a fair-value basis. The fair-value method is used to represent the Company's performance in its communication to the market, including investor presentations. In addition, the Company reports fair value information internally to Directors, who use fair value as the primary measurement attribute to evaluate performance;
- A key indicator of whether a Company is an investment entity is the existence of a formal exit strategy. Although there is currently no documented exit strategy, the assets have a limited life and are not expected to be held indefinitely and the investments including the equity is held at fair value. The Directors consider that there is a clear exit strategy from these investments; and
- A further indicator of whether a Company is an investment entity is the expectation they hold more than one asset. The Company holds two investments directly but many investments indirectly, as there is a portfolio of investments within the Midco.

The Directors believe the Company meets the business purpose criteria to invest for capital appreciation and/or income generation and note that the Company is not required to hold its investments indefinitely.

The Directors are of the opinion that the Company has all the typical characteristics of an investment entity and continues to meet the definition in the standard. This conclusion will be reassessed on an annual basis.

Assessment of the Midco as an investment entity

The Midco is not consolidated as the Midco is considered to be an investment entity. The Board of the Midco have considered the requirements of IFRS 10 as per above and confirm the Midco meets this criterion. If the Midco was not considered to meet the definition of an investment entity, then the Company would be required to consolidate the entity. Within Note 10 the net assets of the Midco have been set out. The impact of consolidating the Midco would be to increase the investment value to £328,837,777 (2020: £264,393,793) and recognise the Bond loan of £15,119,930 (2020: £15,088,825) and additional net working capital of £8,552,440 (2020: £340,794).

Investment Manager not a related party

The AIFM is not disclosed as key management personal in the financial statements. To meet the key management personal definition the AIFM would need to have authority and responsibility for planning, directing and controlling the activities of the entity. The Directors are of the opinion that the AIFM does not meet these criteria as the Board has to approve key decisions.

Valuation of investments in subsidiaries

Significant estimates in the Company's Condensed Financial Statements include the amounts recorded for the fair value of the instruments. By their nature, these estimates and assumptions are subject to measurement uncertainty and the effect on the Company's Condensed Financial Statements of changes in estimates in future periods could be significant. See Note 16 for further details.

4. Fees and expenses

Accounting, secretarial and directors

JTC (UK) Limited acts as secretary and administrator for the Company through the Administration and Company Secretarial Agreement. JTC (UK) Limited is entitled to a £60,000 annual fee for the provision of Company Secretarial services and a £55,000 annual fee for the provision of fund accounting and administration services, based on a Company Net Asset Value of up to £20m. An ad valorem fee based on total assets of the Company which exceed £200m will be applied as follows:

- 0.04% on the Net Asset Value of the Company in excess of £200m.

During the period, expenses incurred with JTC (UK) Limited for administrative and secretarial services amounted to £88,312 (2020: £61,855) with £29,210 (2020: £28,750) being outstanding and payable at the period end.

Notes to the Financial Statements

For the period from 1 January 2021 to 30 June 2021

AIFM

The AIFM, Gresham House Asset Management Limited (the Investment Manager), is entitled to receive from the Company, in respect of its services provided under the AIFM agreement, a fee as follows:

- 1% on the first £250m of the Net Asset Value of the Company
- 0.9% on the Net Asset Value of the Company in excess of £250m and up to and including £500m
- 0.8% on the Net Asset Value of the Company in excess of £500m

During the period, Investment Manager fees recognised in these Condensed Financial Statements amounted to £1,754,677 (2020: £1,126,012) with £896,591 (2020: £nil) being outstanding and payable at the period end.

5. Net gain on investments at fair value through the profit and loss	**1 January 2021 to 30 June 2021 (£)**	**1 January 2020 to 30 June 2020 (£)**
Unrealised gain on investments at fair value through the profit and loss	27,891,255	(4,162,440)
Interest on loans to subsidiaries	10,670,174	4,631,312
	38,561,429	468,872

6. Interest on loans to related parties	**1 January 2021 to 30 June 2021 (£)**	**1 January 2020 to 30 June 2020 (£)**
Interest on loans to related party	-	781,088
	-	781,088

7. Administrative and other expenses	**1 January 2021 to 30 June 2021 (£)**	**1 January 2020 to 30 June 2020 (£)**
Administration fees	88,312	61,855
Audit fees paid	76,250	48,141
Depositary fees	22,369	16,596
Directors remuneration	125,858	105,970
Managerment fees	1,754,677	1,126,012
Sundry expenses	86,515	54,977
	2,153,981	1,413,551

8. Taxation

The Company is recognised as an Investment Trust Company (ITC) for the accounting period and is taxed at the main rate of 19%.

The Company may utilise group relief or make interest distributions to reduce taxable profits for the period to 30 June 2021, therefore, no corporation tax charge has been recognised for the Company for the period.

	1 January 2021 to 30 June 2021 (£)	1 January 2020 to 30 June 2020 (£)
(a) Tax charge in profit or loss		
UK corporation tax	-	-
(b) Reconciliation of the tax charge for the period		
Profit/(loss) before tax	36,324,902	(455,406)
Tax at UK main rate of 19%	6,901,731	(86,527)
Tax effect of:		
Net gain/(loss) on investments at fair value through the profit and loss	(5,299,338)	790,863
Non-deductible expenses	(54,579)	74,128
Subject to group relief/designated as interest distributions	(1,547,814)	(778,464)
Tax charge for the period	-	-

9. Earnings per Ordinary Share

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

	Revenue	Capital	1 January 2021 to 30 June 2021 Total
Net profit attributable to ordinary shareholders	£8,606,193	£27,718,709	£36,324,902
Weighted average number of Ordinary Shares for the period	348,556,364	348,556,364	348,556,364
Profit per Ordinary Share (basic and diluted) - pence per Ordinary Share	2.47p	7.95p	10.42p

	Revenue	Capital	1 January 2020 to 30 June 2020 Total
Net profit/(loss) attributable to ordinary shareholders	£4,097,181	(£4,552,587)	(£455,406)
Weighted average number of Ordinary Shares for the period	223,721,199	223,721,199	223,721,199
Profit/(loss) per Ordinary Share (basic and diluted) - pence per Ordinary Share	1.83p	(2.03p)	(0.20p)

Notes to the Financial Statements

For the period from 1 January 2021 to 30 June 2021

10. Investment in subsidiaries

As at 30 June 2021	Equity (£)	Loans (£)	Closing balance: equity and loans (£)
Gresham House Energy Storage Holdings plc	34,177,103	288,093,184	**322,270,287**
	34,177,103	288,093,184	**322,270,287**

As at 31 December 2020	Equity (£)	Loans (£)	Closing balance: equity and loans (£)
Gresham House Energy Storage Holdings plc	6,285,848	242,678,327	**248,964,175**
	6,285,848	242,678,327	**248,964,175**

Further analysis

The Company owns 100% of the ordinary shares in Gresham House Energy Storage Holdings plc (the Midco) which holds the investments in the underlying subsidiaries. The investment totalling £322,270,287 (2020: £248,967,175) in the Midco comprises underlying investments in the following companies:

As at 30 June 2021 Investment	Place of business	Percentage ownership	Total investment
Noriker Staunch Limited (NSL)	5 New Street Square, London, England, EC4A 3TW	100%	15,048,384
HC ESS2 Limited (HCESS2)	5 New Street Square, London, England, EC4A 3TW	100%	25,283,787
HC ESS3 Limited (HCESS3)	5 New Street Square, London, England, EC4A 3TW	100%	20,445,901
West Midlands Grid Storage Two Limited (WMGS)	5 New Street Square, London, England, EC4A 3TW	100%	3,938,736
Cleator Battery Storage Limited (Cleator)	5 New Street Square, London, England, EC4A 3TW	100%	7,513,269
Glassenbury Battery Storage Limited (Glassenbury)	5 New Street Square, London, England, EC4A 3TW	100%	37,989,489
HC ESS4 Limited (HCESS4)	5 New Street Square, London, England, EC4A 3TW	100%	45,624,198
Bloxwich Energy Storage Limited (Bloxwich)	5 New Street Square, London, England, EC4A 3TW	100%	25,668,608
HC ESS6 Limited (HCESS6)	5 New Street Square, London, England, EC4A 3TW	100%	44,553,926
HC ESS7 Limited (HCESS7)	5 New Street Square, London, England, EC4A 3TW	100%	44,392,398
Nevendon Energy Storage Limited (Nevendon)	5 New Street Square, London, England, EC4A 3TW	100%	4,184,593
Port of Tyne Energy Storage Limited (Port of Tyne)	5 New Street Square, London, England, EC4A 3TW	100%	20,925,311
Tynemouth Battery Storage Limited (Tynemouth)	5 New Street Square, London, England, EC4A 3TW	100%	12,091,278
Gridreserve Limited (Byers Brae)	5 New Street Square, London, England, EC4A 3TW	100%	15,764,520
Investments to SPV's- subtotal			**323,424,398**

As at 30 June 2021 (continued)	Place of business	Percentage ownership	Total investment
Coupar Limited	5 New Street Square, London, England, EC4A 3TW	100%	2,824,372
Arbroath Lmited	5 New Street Square, London, England, EC4A 3TW	100%	2,589,007
Bonds issued by Midco			(15,119,930)
Working capital in Midco			8,552,440
Total investment in Midco			**322,270,287**

As at 31 December 2020	Place of business	Percentage ownership	Total investment
Noriker Staunch Limited (NSL)	5 New Street Square, London, England, EC4A 3TW	100%	15,758,538
HC ESS2 Limited (HCESS2)	5 New Street Square, London, England, EC4A 3TW	100%	24,156,127
HC ESS3 Limited (HCESS3)	5 New Street Square, London, England, EC4A 3TW	100%	19,262,407
West Midlands Grid Storage Two Limited (WMGS)	5 New Street Square, London, England, EC4A 3TW	100%	3,746,322
Cleator Battery Storage Limited (Cleator)	5 New Street Square, London, England, EC4A 3TW	100%	7,448,425
Glassenbury Battery Storage Limited (Glassenbury)	5 New Street Square, London, England, EC4A 3TW	100%	36,471,706
HC ESS4 Limited (HCESS4)	5 New Street Square, London, England, EC4A 3TW	100%	45,615,597
Bloxwich Energy Storage Limited (Bloxwich)	5 New Street Square, London, England, EC4A 3TW	100%	22,397,138
HC ESS6 Limited (HCESS6)	5 New Street Square, London, England, EC4A 3TW	100%	38,238,323
HC ESS7 Limited (HCESS7)	5 New Street Square, London, England, EC4A 3TW	100%	47,058,902
Investments in SPV's- subtotal			**260,153,485**
Noriker Power Limited	Railway House, Bruton Way, Gloucester, England GL1 1DG	4%	238,095
Biggerbrook Limited	5 New Street Square, London, England, EC4A 3TW		1,951,194
Gridreserve Limited	5 New Street Square, London, England, EC4A 3TW		2,051,020
Bonds issued by Midco			(15,088,825)
Working capital in Midco			(340,794)
Total investment in Midco			**248,964,175**

Unless otherwise agreed, the loan principal and any interest accrued shall be repayable on the earlier of (i) written demand from the Company, or (ii) 31 December 2030.

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

	Immediate Parent	Place of business	Registered Office	Percentage ownership	Ownership
Gresham Energy Storage Holdings plc	The Company	England & Wales	Gresham House Asset Management Limited, 5 New Street Square, London, England, EC4A 3TW	100%	Wholly owned

Refer to Note 16 for valuation disclosures relating to the investments in subsidiaries.

Notes to the Financial Statements

For the period from 1 January 2021 to 30 June 2021

11. Loans receivable

The only loans receivable at 30 June 2021 and 31 December 2020 are loans to the Midco, which is accounted for as an Investment subsidiary.

12. Cash and cash equivalents

	30 June 2021 (£)	31 December 2020 (£)
Cash at bank	61,154,974	110,967,025
	61,154,974	110,967,025

13. Trade and other receivables

	30 June 2021 (£)	31 December 2020 (£)
Management fees	56,996	13,995
Prepaid expenses	179,903	89,902
VAT receivable	183,828	170,530
	420,727	274,427

14. Trade and other payables

	30 June 2021 (£)	31 December 2020 (£)
Administration fees	29,210	57,500
Audit fees	42,229	121,000
Other accruals	996,804	85,617
Deferred consideration for HCESS4 (Red Scar)	-	1,030,530
Taxation payable	-	20,570
	1,068,243	1,315,217

15. Categories of financial instruments

	30 June 2021 (£)	31 December 2020 (£)
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	61,154,974	110,967,025
Trade and other receivables (excluding VAT)	236,899	103,897
Fair value through profit or loss:		
Investment in subsidiaries	322,508,382	248,964,175
Total financial assets	**383,900,255**	**360,035,097**
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	(1,068,243)	(1,315,217)
Net financial assets	**382,832,012**	**358,719,880**

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

16. Fair value measurement

Valuation approach and methodology

The same valuation methodology and process is followed in these Condensed Financial Statements as was applied in the preparation of the Company's Annual Financial Statements for the year ended 31 December 2020. The Company used the income approach to value its investments. The income approach indicates value based on the sum of the economic income that an asset, or group of assets, is anticipated to produce in the future. Therefore, the income approach is typically applied to an asset that is expected to generate future economic income, such as a business that is considered a going concern. Free cash flow to total invested capital is typically the appropriate measure of economic income. The income approach is the DCF approach and the method discounts free cash flows using an estimated discount rate (WACC).

Valuation process

The Company, via the Midco, held a portfolio of energy storage investments with a capacity of 425 Megawatt (MW) operational (the Investments). The Investments comprise 17 projects held in 14 special project vehicles.

All of these investments are based in the UK. The Directors review and approve the valuations of these assets following appropriate challenge and examination. The current portfolio consists of non-market traded investments, and valuations are analysed using forecasted cash flows of the assets and use the discounted cash flow approach for valuation purposes. For period-end and interim reports the Company engages external, independent and qualified valuers to determine the fair value of the Company's investments or are produced by the office of the Investment Manager. The Company engages external, independent and qualified valuers to determine the fair value of the Company's investments or valuations are produced by the Investment Advisor. As at 30 June 2021, the fair value of the portfolio of investments has been determined by the Investment Advisor and reviewed by Grant Thornton UK LLP.

The valuations have been determined using discounted cash flow methodology, whereby the estimated future cash flows relating to the Company's equity investment in each project have been discounted to 30 June 2021, using discount rates reflecting the risks associated with each investment project and the time value of money. The valuations are based on the expected future cash flows, using reasonable assumptions and forecasts for revenues, operating costs, macro-level factors and an appropriate discount rate.

As at the period-end, the Company uses discount rates to value the expected future cash flows of each investment project. The determination of the discount rate applicable to each individual investment project takes into account various factors, including, but not limited to, the stage reached by each project, the period of operation, the historical track record, the terms of the project agreements and the market conditions in which the project operates.

Notes to the Financial Statements

For the period from 1 January 2021 to 30 June 2021

It is intended that this blended discount rate will also be applied in respect of the expected future cash flows of projects acquired by the Company in the future. The Investment Manager exercises its judgement in assessing the expected future cash flows from each investment. The Investment Manager produces, for each underlying project, detailed financial models and the Investment Manager takes into account, amongst other things, in its review of such models, and make amendments where appropriate to:

a. discount rates (i) implied in the price at which comparable transactions have been announced or completed in the UK energy storage sector (if available); (ii) publicly disclosed by the Company's peers in the UK energy storage sector (if available); and (iii) discount rates applicable for other comparable infrastructure asset classes and regulated energy sectors;
b. changes in power market forecasts from leading market forecasters;
c. changes in the economic, legal, taxation or regulatory environment, including changes in retail price index expectations;
d. technical performance based on evidence derived from project performance to date;
e. the terms of any power purchase agreement arrangements;
f. accounting policies;
g. the terms of any debt financing at project level;
h. claims or other disputes or contractual uncertainties; and
i. changes to revenue, cost or other key assumptions (may include an assessment of future cost trends, as appropriate).

In arriving at the valuation assumptions this includes consideration of climate related matters such as expected levels of renewable energy entering the grid system, demand patterns and current regulatory policy these are factored into the pricing assumptions which are prepared by an independent consultancy.

The Board reviews the operating and financial assumptions, including the discount rates, used in the valuation of the Company's underlying portfolio and approves them based on the recommendation of the Manager.

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

Key valuation input	Range	Weighted average
WACC	9.56% - 11.1%	10.73%

Another key assumption in the valuation models is the volatility of power prices. Due to the Asset Optimisation strategy, the investments are able to benefit from a range of revenue streams, either arbitrage on power price volatility or FFR and other similar income streams. Due to the nature of the assets owned by the investments, should one revenue stream be impacted the asset is able to switch to alternative sources of revenue to seek to maintain total revenue targets.

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

Reconciliation	30 June 2021 (£)	31 December 2020 (£)
Opening balance	248,964,175	138,203,407
Add: purchases during the year	238,095	238,095
Add: loans advanced	34,744,684	76,155,352
Less: Loan repayments	-	(5,750,000)
Add: Loans to affiliated entities of the investment manager converted to investment	-	6,871,121
Add: Escrow release to investment (non-cash)	-	10,843,595
Add: accrued interest on loans (Note 5)	10,670,174	12,346,913
Total fair value movement through the profit or loss (Note 5)	27,891,254	10,055,692
Closing balance	322,508,382	248,964,175

17. Financial risk management

As at 30 June 2021 there have been no changes to the financial instruments risk identified in the Annual Financial Statements of 31 December 2020. The Company is exposed to certain risks through the ordinary course of business and the Company's financial risk management objective is to minimise the effect of these risks. The management of risks is performed by the Directors of the Company and the exposure to each financial risk considered potentially material to the Company, how it arises and the policy for managing it is summarised below:

Counterparty risk

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

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

Concentration risk

The Company's investment policy is limited to investment in energy storage infrastructure, which will principally operate in the UK. This means that the Company has a significant concentration risk relating to the UK energy storage infrastructure sector. Significant concentration of investments in any one sector may result in greater volatility in the value of the Company's investments and consequently the Net Asset Value, and may materially and adversely affect the performance of the Company and returns to shareholders.

The Company's BESS projects generate revenues primarily from Firm Frequency Response (FFR), Asset Optimisation (Trading), Capacity Market (CM) and other grid connection-related charges, including TRIADs and Dynamic Containment Revenues. The portfolio's seed BESS projects are currently skewed to FFR revenues, FFR being the provision to the National Grid of a dynamic response service to maintain the grid's electrical frequency at 50Hz. In 2021, operations are expected to be increasingly targeted towards Asset Optimisation, as this becomes the more profitable business activity. There are several additional revenue opportunities emerging for the portfolio as a series of regulatory changes are implemented.

The Investment Manager is of the view that the UK's exposure to renewable energy generation has increased significantly over the last few years and the pace has not lessened despite the removal of legacy subsidies to onshore wind and solar. This is largely because the development of offshore wind installations has continued apace. As a result, generation from wind is having a growing impact on the grid, generating a volatile supply of energy which underpins the opportunity for BESS.

Credit risk

Cash and other assets that are required to be held in custody will be held at bank. Cash and other assets may not be treated as segregated assets and will therefore not be segregated from the bank's own assets in the event of the insolvency of a custodian. Cash held with the bank will not be treated as client money subject to the rules of the FCA and may be used by the bank in the ordinary course of its own business. The Company will therefore be subject to the creditworthiness of the bank. In the event of the insolvency of the bank, the Company will rank as a general creditor in relation thereto and may not be able to recover such cash in full, or at all.

Notes to the Financial Statements

For the period from 1 January 2021 to 30 June 2021

The Investment Manager regularly assesses its credit exposure and considers the creditworthiness of its customers and counterparties. Cash and bank deposits are held with Barclays Bank plc, a reputable financial institution with a Moody's credit rating Baa2.

Investments held at fair value through profit or loss are not subject to IFRS 9 impairment requirements.

For interest receivables on cash balances and loans receivable, the Company uses a 12-month expected loss allowance.

The Company has completed some high-level analysis and forward looking qualitative and quantitative information, to determine if the interest and receivables are low credit risk. Based on this analysis the expected credit loss on interest and receivables are not material and therefore no impairment adjustments were accounted for.

Liquidity risk
The objective of liquidity management is to ensure that all commitments which are required to be funded can be met out of readily available and secure sources of funding. As noted below, this may include debt funding.

BESS projects have limited liquidity and may not be readily realisable or may only be realisable at a value less than their book value. There may be additional restrictions on divestment in the terms and conditions of any sale agreement in relation to a particular BESS project.

The Company has assessed its ability to raise debt after sufficient assets were acquired and to the extent funding was available on acceptable terms. Accordingly, it has introduced leverage into its subsidiary (the Midco) as explained in Note 1.

In addition, the Company may from time to time use borrowing for short term liquidity purposes which could be achieved through a loan facility or other types of collateralised borrowing instruments. The Company is permitted to provide security to lenders in order to borrow money, which may be by way of mortgages, charges or other security interests or by way of outright transfer of title to the Company's assets. The Directors will restrict borrowing to an amount not exceeding 50% of the Company's Net Asset Value at the time of drawdown. There will be no cross collateralisation between the projects.

The Company's only financial liabilities are trade and other payables. The Company has sufficient cash reserves to cover these in the short to medium term. The Company's cash flow forecasts are monitored regularly to ensure the Company is able to meet its obligations when they fall due.

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

As at 30 June 2021	< 1 year (£)	1 to 2 years (£)	2 to 5 years (£)	>5 years (£)	Total (£)
Financial assets					
Cash and cash equivalents	61,154,974	-	-	-	61,154,974
Trade and other receivables (Note 13)**	236,899**	-	-	-	236,899
Investments	-	-	-	34,415,198***	34,415,198
Fair value through profit or loss:					
Investment in subsidiaries	-	-	-	288,093,184*	288,093,184
Total financial assets	**61,391,873**	-	-	**322,508,382**	**383,900,255**
Financial liabilities					
Financial liabilities at amortised cost:					
Trade and other payables (Note 14)	1,068,243	-	-	-	1,068,243
Total financial liabilities	**1,068,243**	-	-	-	**1,068,243**

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

As at 31 December 2020	< 1 year (£)	1 to 2 years (£)	2 to 5 years (£)	>5 years (£)	Total (£)
Financial assets					
Cash and cash equivalents	110,967,025	-	-	-	110,967,025
Trade and other receivables (Note 13)	103,897**	-	-	-	103,897
Investment	6,285,848***	-	-	-	6,285,848
Fair value through profit or loss: Investment in subsidiaries	-	-	-	242,678,327*	242,678,327
Total financial assets	**117,567,770**	-	-	**242,678,327**	**360,035,097**
Financial liabilities					
Financial liabilities at amortised cost: Trade and other payables (Note 14)	1,315,217	-	-	-	1,315,217
Total financial liabilities	**1,315,217**	-	-	-	**1,315,217**

*excludes the equity portion of the investment in subsidiaries
**excludes VAT
***calculated maturity amount

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

Price risk
Price risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. At 30 June 2021, the valuation basis of the Company's investments was valued at market value. This investment is driven by market factors and is therefore sensitive to movements in the market.

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company is exposed to interest rate risk on its cash balances held with counterparties, bank deposits, loans receivable, advances to counterparties and through loans to subsidiaries. Bank deposits carry a fixed rate of interest for a definite period and loans to subsidiaries carry a fixed rate of interest until repayment at the earlier of written demand from the lender or 31 December 2030. 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 loans to subsidiaries.

Currency risk
All transactions and investments during the current period were denominated in Pounds Sterling, thus no foreign exchange differences arose. The Company does not hold any financial instruments at period end which are not denominated in Pounds Sterling and is therefore not exposed to any significant currency risk. Subsidiary entities may, from time to time, incur expenditure in currencies other than Pounds Sterling.

Capital risk management
The capital structure of the Company 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.

Other risks
The Company is exposed to other risks as set out in the Prospectus dated 20 May 2021.

Notes to the Financial Statements

For the period from 1 January 2021 to 30 June 2021

18. Net asset value per Ordinary Share

Basic NAV per Ordinary Share is calculated by dividing the Company's net assets as shown in the statement of financial position that are attributable to the ordinary equity holders of the Company by the number of Ordinary Shares outstanding at the end of the period. As there are no dilutive instruments outstanding, basic and diluted NAV per Ordinary Share are identical.

	1 January 2021 to 30 June 2021	1 January 2020 to 30 June 2021
Net assets per Statement of Financial Position	£383,015,840	£358,890,410
Ordinary Shares in issue	348,556,364	348,556,364
NAV per Ordinary Share – Basic and diluted (pence)	109.89p	102.96p

19. Share capital

	Ordinary Shares number	Share capital (£)
Allotted and issued share capital		
As at 31 December 2020 and 30 June 2021	348,556,364	3,485,564
	348,556,364	**3,485,564**

Share capital and share premium account

On incorporation the Company issued 1 Ordinary Share of £0.01 which was fully paid up and 50,000 redeemable preference shares of £1 each which were paid up to one quarter of their nominal value. These 50,000 redeemable preference shares were subsequently redeemed.

On 17 February 2020, the Board announced a non-pre-emptive placing of new Ordinary Shares at an issue price of 104.0p per Placing Share to fund further pipeline acquisitions and provide increased general working capital. Further to that announcement, on 3 March 2020, the Company issued 30,000,000 Ordinary Shares raising gross proceeds of £31.2m.

On 10 November 2020, the Company announced and published a prospectus in respect of a share issuance programme for up to 250m new Ordinary Shares and on 25 November 2020 announced the successful raise of gross proceeds of £120m through the issue of an initial tranche of 114,285,714 new Ordinary Shares at an issue price of 105p per share.

On 12 July 2021, the Company announced the successful raise of gross proceeds of £100m through the issue of 89,285,714 new Ordinary Shares at an issue price of 112p per share.

Dividends

On 19 February 2021, a dividend of 1.75p per Ordinary Share for the period from 1 October 2020 to 31 December 2020 was announced. The dividend of £6,099,736 was paid on 26 March 2021 to shareholders on the register as at the close of business on 5 March 2021. The ex-dividend date was 4 March 2021.

An interim dividend of 1.75p per Ordinary Share for the period from 1 January 2021 to 31 March 2021 was announced on 28 April 2021. The dividend of £6,099,736 was paid on 4 June 2021 to shareholders on the register as at the close of business on 14 May 2021. The ex-dividend date was 13 May 2021.

An interim dividend of 1.75p per Ordinary Share for the period from 1 April 2021 to 30 June 2021 was announced on 1 July 2021. The dividend of £6,099,736 was paid on 30 July 2021 to shareholders on the register as at the close of business on 9 July 2021. The ex-dividend date was 8 July 2021. Ordinary shareholders are entitled to all dividends declared by the Company and, in a winding up, to all of the Company's assets after repayment of its borrowings and ordinary creditors. Ordinary shareholders have the right to vote at meetings of the Company. All Ordinary Shares carry equal voting rights.

20. Reserves

The nature and purpose of each of the reserves included within equity at 30 June 2021 are as follows:

- Merger relief reserve relates to the premium on shares which were issued in exchange for shares as part of the IPO.
- Capital reduction reserve represents a distributable reserve created following a Court approved reduction in capital.
- Revenue reserves represent cumulative revenue net profits recognised in the Condensed Statement of Comprehensive Income.
- Capital reserves represent cumulative net gains and losses on investments and cumulative capital expenses recognised in the interim Condensed Statement of Comprehensive Income.

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

21. Transactions with related parties and other significant contracts

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

Details of related parties are set out below:

Directors

	1 January 2021 to 30 June 2021 (£)	1 January 2020 to 30 June 2020 (£)
Directors' remuneration	116,250	95,000
Employers NI	13,608	10,934
Total key management personnel	129,858	105,934

All directors' remuneration is short term salary.

No dividend amounts were payable as at 30 June 2021 (2020: none).

The aggregate fees of the Directors will not exceed £500,000 per annum. There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for Non-Executive Directors. The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

Loans to related parties

Loans to subsidiaries represent amounts due to the Company from its subsidiary.

Subsidiary	Loans: principal advanced and capitalised interest (£)	Loans: interest accrued (£)	30 June 2021 Closing balance: loans (£)
Gresham Energy Storage Holdings plc	277,423,010	10,670,174	288,093,184
			288,093,184

22. Capital commitments

As at 30 June 2021 the Company has no significant binding or conditional future capital commitments.

23. Post balance sheet events

On 1 July 2021 the Company announced a dividend of 1.75p per Ordinary Share for the period from 1 April 2021 to 30 June 2021. The Dividend was paid on 30 July 2021.

On 12 July 2021 the Company also announced the issuance of 89,285,714 Ordinary Shares of 1p each in the capital of the Company with an issue price of 112p per share. The gross share proceeds were £100m.

After the period end, the Company's subsidiary, Gresham House Energy Storage Holdings plc, completed a debt facility totalling £180m.

There were no other significant post balance sheet events that need to be disclosed in the financial statements.

Alternative performance measure table

For the period from 1 January 2021 to 30 June 2021

1) Dividend per Ordinary Share

Dividend per Ordinary Share is a measure to show the distributions made to shareholders during the year.

Dividend period: 6 months to 30.6.2021	**Dividend paid per share (£)**	**Number of shares on dividend payment date**	**Total dividend paid (£)**
Q1 2021 (declared 28 April 2021)	0.0175	348,556,364	6,099,736
Q2 2021 (declared 1 July 2021)	0.0175	348,556,364	6,099,736
	0.0350		12,199,472

Dividend period: 6 months to 30.6.2020	**Dividend paid per share (£)**	**Number of shares on dividend payment date**	**Total dividend paid (£)**
Q1 2020 (declared 11 May 2020)	0.0175	234,270,650	4,099,736
Q2 2020 (declared 1 September 2020)	0.0175	234,270,650	4,099,736
	0.0350		8,199,472

2) Ordinary Share price total return

Ordinary Share price total return is a measure of the return that could have been obtained by holding a share over the reporting period.

	6 months to 30.6.2021 (pence)	**6 months to 30.6.2020 (pence)**
Share price at end of period	120.75	109.00
Dividends paid from inception to end of period	13.25	6.25
Dividend reinvestment impact	2.25	0.39
Share price at initial public offering	(100.00)	(100.00)
Ordinary Share price total return since inception	36.25	15.64
Ordinary Share price total return since inception %	36.3%	15.6%

3) Net asset value (NAV) per Ordinary Share

	6 months to 30.6.2021	6 months to 30.6.2020
NAV at end of period	£383,015,840	£229,971,582
Ordinary Shares in issue	348,556,364	234,270,650
NAV per Ordinary Share (pence) - Basic and diluted	109.89	98.16

4) NAV per Ordinary Share total return for the period

NAV per Ordinary Share total return is a measure of the success of the Investment Manager's strategy to grow the NAV, showing how the NAV has changed over a period of time, taking into account both capital returns and dividends paid to shareholders.

	6 months to 30.6.2021 (pence)	6 months to 30.6.2020 (pence)
NAV per Ordinary Share at end of period	109.89	98.16
Dividends paid from inception to end of period	13.25	6.25
Dividend reinvestment impact	1.34	(0.07)
NAV per Ordinary Share at end of period including dividend reinvestment	124.48	104.34
NAV per Ordinary Share at beginning of period including dividend reinvestment	(113.13)	(104.36)
NAV total return for the period	11.35	(0.02)
NAV per Ordinary Share total return for the period	10.0%	0.0%

5) Ongoing charges figure (OCF)

OCF measures the Company's recurring fund management costs incurred during the year expressed as a percentage of the average of the net assets at the end of each quarter during the period.

	6 months to 30.6.2021 (£'000)	6 months to 30.6.2020 (£'000)
Fees to Investment Manager	1,755	1,126
Legal and professional fees	230	307
Other transaction fees	(57)	83
Administration fees	159	101
Directors' remuneration	126	106
Audit fees	76	48
Other ongoing expenses	38	33
Total expenses	2,327	1,804
Non-recurring expenses not in OCF calculation	9	(412)
Total ongoing expenses	2,336	1,392
Average NAV for the period	371,411	222,675
Ongoing charges for the period (annualised)	1.27%	1.25%

Alternative performance measure table

6) Dividend cover

Dividend cover is a measure to demonstrate the Company's ability to pay dividends from the earnings of its underlying investments.

	6 months to 30.6.2021 (£'000)	6 months to 30.6.2020 (£'000)
EBITDA generated by subsidiaries	22,438	4,545
Ongoing costs in the Company	(2,336)	(1,392)
Debt service costs in subsidiaries	(451)	-
Interest income	66	804
Net earnings for dividend cover	19,717	3,957
Dividends declared by the Company	12,199	8,199
Dividend cover	1.62x	0.48x

7) Dividend yield

Dividend yield is a measure to show the dividend return received by shareholders for the period.

	6 months to 30.6.2021	6 months to 30.6.2020
Dividend per share declared in respect of the period (pence)	3.50	3.50
Share price at end of period (pence)	120.75	109.00
Dividend yield for the period	2.9%	3.2%

Company Information

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Duncan Neale
Catherine Pitt
David Stevenson

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Glossary

Asset Optimisation (Trading)
Asset Optimisation involves buying and selling electricity in order to capture a spread between the high and low electricity prices on any given day. This can be done via one or more market mechanisms, hence the expression "Asset Optimisation" and includes trading in the wholesale market and offering the battery to National Grid via the Balancing Mechanism.

Asymmetric
An asymmetrical grid connection is where the import and export capacities are different.

AUM/Assets Under Management
The total net assets of the Company.

Balancing Services
National Grid procure services to balance demand and supply and to ensure the security and quality of electricity supply across Britain's transmission system. These include:

- Black Start
- Demand side response
- Dynamic Containment (DC)
- Enhanced Frequency Response (EFR)
- Firm Rrequency Response (FFR)
- Optional Downward Flexibility Management (ODFM)
- Short Term Operating Reserve (STOR)

https://www.nationalgrideso.com/balancing-services

Black Start
A total or partial shutdown of the national electricity transmission system (NETS) is an unlikely event. However, if it happens, National Grid are obliged to make sure there are contingency arrangements in place to ensure electricity supplies can be restored in a timely and orderly way. Black Start is a procedure to recover from such a shutdown.

https://www.nationalgrideso.com/balancing-services/system-security-services/black-start/

Capacity Market (CM)
The income received by generators to ensure generation capacity is available to meet shortfalls.

Combined Cycle Gas Turbine (CCGT)
Energy generation technology that combines a gas-fired turbine with a steam turbine. The design uses a gas turbine to create electricity and then captures the resulting waste heat to create steam, which in turn drives a steam turbine.

Curtailment
Large wind farms are connected to the UK's high-voltage network and National Grid balances electricity supply and demand. As demand rises and falls during the day, electricity supply mirrors these peaks and troughs. National Grid accepts bids and offers from electricity generators to increase or decrease electricity generation as and when required. As such it may mean that there are times when generators are paid to curtail their output (constraint payments).

https://www.nationalgrideso.com/news/grounds-constraint

Dividend Cover
Dividend Cover for the purpose of this report refers to a calculation for the ratio between net earnings of the investment portfolio in the review period and dividends paid in respect of the same review period.

Net earnings of the investment portfolio are calculated as the total EBITDA from underlying projects which includes liquidated damages earnt by SPVs (typically on delays in construction to compensate for lost revenues) less Company and holding company costs (excluding capital related costs but including interest expense).

Earnings are calculated on an accruals basis and therefore only SPVs which were acquired in the accounting period have their earnings included here. Transactions completing after the period, but which had locked box income related to the current period will have this recognised once the transaction is completed. For the transactions completed in January 2021 such income is therefore recognised in the 2021 dividend cover calculation.

This measure aims to add clarity on the Company's ability to pay dividends from the earnings and cash generation of its underlying investments after deducting costs in the Company.

Dividend Yield
The annual dividends expressed as a percentage of the current share price.

Electricity System Operator (ESO)
Refers to National Grid ESO. The ESO is responsible for ensuring Great Britain has the essential energy it needs so that supply meets demand on the electricity system every second of every day.

https://www.nationalgrideso.com/

Frequency Response services
A subset of Balancing Services which relate to services performed by batteries to manage the frequency on the electricity system. This includes the following services:

- Dynamic Containment (DC)
- Enhanced Frequency Response (EFR)
- Firm Frequency Response (FFR)
- Optional Downward Flexibility Management (ODFM)

https://www.nationalgrideso.com/balancing-services

Gross Asset Value (GAV)
Gross Asset Value is the total value of the investments under the management of the Company.

International Financial Reporting Standards (IFRS)
International Financial Reporting Standards are accounting standards issued by the International Accounting Standards Board (IASB) and have been applied by the Company in the preparation of the financial statements.

Liquidated Damages (LD)
Liquidated damages are presented in certain legal contracts as an estimate of losses to one of the parties. It is a provision that allows for the payment of a specified sum should one of the parties be in breach of contract.

Liquidated damages are meant as a fair representation of losses in situations where actual damages are difficult to ascertain.

Liquidated damages are often included in specific contract clauses to cover circumstances where a party faces a loss from an asset. The Company typically uses these in EPC arrangements to protect earnings from an asset in the result of delays to construction but are also common in other contracts such as for O&M arrangements.

Load factors
The load factor is usually expressed as the percentage of the actual output of a generator compared to its theoretical maximum output in a year.

Locked box income
On some acquisitions the Company agrees a date at which the benefit of any subsequent earnings then flow to the acquirer. This date agreed is referred to as the Locked box date. Earnings flowing to the acquirer are referred to as the Locked box income. This mechanism is often used by the Company and aims to prevent the Company losing out on value as a result of delays to transactions completing. The period to which Locked box income is earnt varies between transactions. Each of the new acquisitions in January 2021 had a Locked box date in 2020 meaning the Company achieved benefits of earnings related to 2020 (through higher working capital in the SPVs) once the acquisitions completed in 2021.

NAV
Net Asset Value being the total Net Assets in the Company divided by the total number of Ordinary Shares in issue as at 30 June 2021.

NAV total return
A measure showing how the net asset value (NAV) per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders.
NAV total return is shown as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

NAV total return shows performance which is not affected by movements in discounts and premiums (share prices).

It also takes into account the fact that different investment companies pay out different levels of dividends.

Ongoing Charges Figure (OCF)
The Ongoing Charges Figure is seen as a useful indicator of the overall cost burden for funds and similar investment vehicles. This includes all charges and costs incurred by the Company which relate to the ongoing operation of the Company. This includes management fees, administration fees, audit fees, Director's remuneration, depositary services costs and other similar costs. It excludes capital costs and costs of raising new capital or making acquisitions. The Ongoing Charges are then divided by the weighted average NAV for the year or period over which it relates.

Further detail can be found here: https://www.theaic.co.uk/sites/default/files/documents/AICOngoingChargescalculationOct20.pdf

Ordinary Share
Share in the Company with a nominal value of 1 penny.

Ordinary Share price total return
A measure showing how the share price has performed over a period of time, taking into account both capital returns and dividends paid to shareholders.

Share price total return is shown as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested in the shares at the time the shares are quoted ex dividend.

Share price total return shows performance which is affected by movements in discounts and premiums. It also takes into account the fact that different investment companies pay out different levels of dividends.

Further detail can be found here: https://www.theaic.co.uk/glossary/share-price-total-return-performance

Site uptime
Calculation for the average level of availability in the portfolio or for an asset in Frequency Response Services. This is calculated by taking the average MWs available in each period as a percentage of total capacity contracted.

Symmetrical
A symmetrical grid connection is where the import and export capacities are the same.

Seed Assets
The assets acquired for £70m at IPO known as Staunch, Littlebrook, Lockleaze, Rufford and Roundponds.

System inertia
Inertia works to keep the electricity system running at the right frequency by using the kinetic energy in spinning parts in power plant generator turbines. When needed, the spinning parts in generator turbines can rotate slightly faster or slower to help balance out supply and demand. The more turbines you have, the more energy there is in the system and the greater the system inertia, which helps to stabilise the frequency.

https://www.nationalgrideso.com/information-about-great-britains-energy-system-and-electricity-system-operator-eso/technical-terms-explained

TRIADs
Triads are defined as the three half-hours of highest demand on the Great Britain electricity transmission system between November and February each year, the Triads are part of a charge-setting process. This identifies peak electricity demand at three points during the winter in order to minimise energy consumption.

However, Triads must be at least 10 days apart. This is to avoid all three potentially falling in consecutive hours on the same day, for example during a particularly cold spell of weather.

https://www.nationalgrideso.com/news/triads-why-three-magic-number

Underlying project revenues
The revenue earned by the operational SPVs ultimately earned by the Company from commercial operations from all sources. If liquidated damages are payable to this SPV then these are included.

Since 1857

Gresham House

Specialist asset management