2023

Annual Report and Financial Statements

Thrive Renewables plc

The power of together

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Officers and Professional Advisers

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Joanna Butlin (Chair)

Matthew Clayton (Managing Director)
Peter Weston
Katie Gordon
Colin Morgan
Tania Songini
Charles Middleton (Senior Independent Director)
Katrina Cross (Finance Director)
Monika Paplaczyk (Investment Director)

Company secretary

Katrina Cross

Registered office

Thrive Renewables plc
Deanery Road
Bristol, Avon
BS1 5AS

Bankers

Triodos Bank UK Limited
Deanery Road
Bristol
BS1 5AS

Solicitors

TLT Solicitors LLP
One Redcliff Street
Bristol
BS1 6TP

Michelmores LLP
Woodwater House
Pynes Hill
Exeter
EX2 5WR

Independent Auditors

PricewaterhouseCoopers LLP
2 Glass Wharf
Temple Quay
Bristol
BS2 0FR

Chair's Statement

Dear Shareholder,

It is a pleasure to share the 2023 Annual Report in what has been a record-breaking year, not only in terms of profitability, but also capacity growth. Regrettably, it has also been a record-breaking year for the climate, as planet earth, the home we all share, breached the 1.5 degree heating milestone for a 12 month period. The UK also continued to experience exceptionally high energy prices, which are now starting to come down.

It is easy to lose hope, but impactful businesses like ours, bringing people and communities together to get cheaper, cleaner energy projects built, are making a significant difference not only to UK emissions but in bringing down the cost of energy for us all.

Achieving net zero is a huge economic and social opportunity for us to create a cleaner, fairer, more resilient energy system; but as you know in the context of a climate emergency and the planet heating at an alarming rate, we have to take urgent action now. With the support of you, our 7,000 investors, we continue to fund and build new wind, solar, geothermal and storage projects to help reduce carbon emissions and benefit local people. We are proud to have brought 25MW into operation in 2023, with 41.5MW in development or construction. In particular, we are pleased to have been able to invest further into community-owned projects which generate additional social value, with a £4 million investment to fund the construction of a wind turbine in North Ayrshire, Scotland.

As we enter our 30th year of operation, we are pledging to double the amount of new generation capacity we invest in over the next five years. This starts with funding and we were delighted to raise £5.4 million from a crowdfund that launched in October 2023 on the Triodos Crowdfunding platform, followed by a subsequent offer on Crowdcube which concluded in January 2024. We welcomed 132 new investors in 2023, followed by 350 in early 2024.

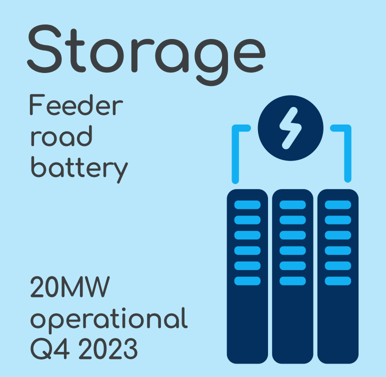
I would like to thank all our investors, old and new, large and small, for coming together to help build an energy system fit for future generations. As we grow and our exciting journey together continues, I hope you get as much pleasure and satisfaction as I do from seeing magnificent wind turbines, efficient rooftop solar and ground breaking geothermal generation come into operation. Together, we can build the projects the UK needs to power our daily lives more cheaply and sustainably.

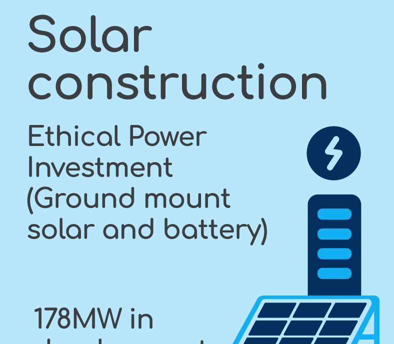
Yours sincerely,

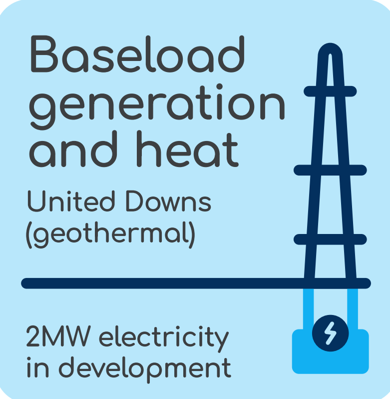
Jo Butlin
Chair of the board of Thrive Renewables plc

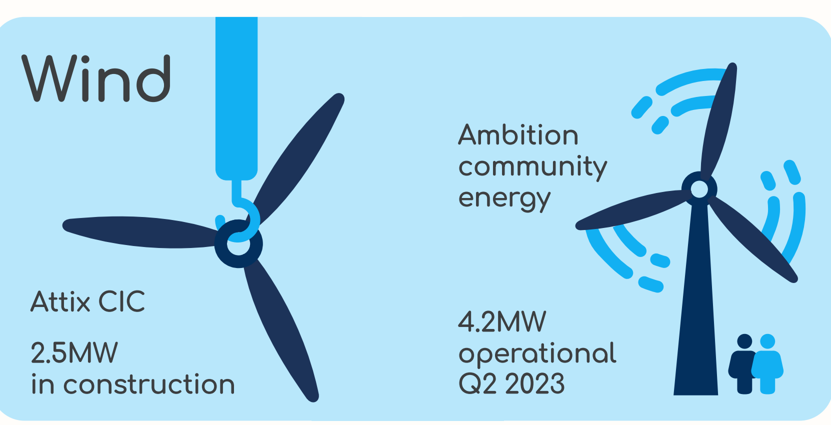
2023 what's been achieved...

Development projects









[1] Impact Portfolio describing Thrive's share of projects owned plus the projects Thrive is funding.

[2] Calculated using the most recent statistics from the DESNZ showing that UK average domestic household consumption is 3,239 kWh per annum (**https://www.renewableuk.com/page/UKWEDExplained**)

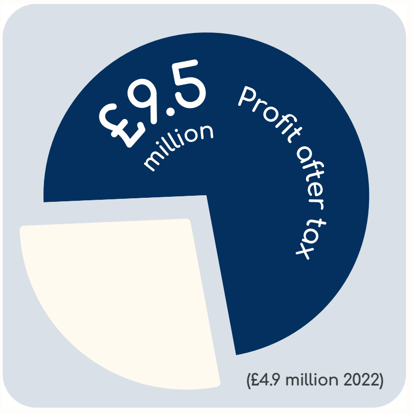
[3] Average residents per household 2.4 (**https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/bulletins/familiesandhouseholds/2020**), Population of Preston is 99,198 (**https://www.thegeographist.com/uk-cities-population-1000/**).

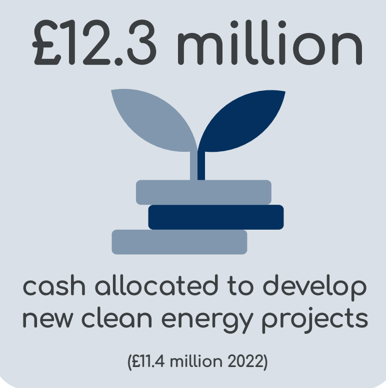
[4] The average electricity consumption of an electric vehicle (EV) is 266Wh per mile based on the most popular EV models (**https://www.gov.uk/government/statistics/vehicle-licensing-statistics-2022/vehicle-licensing-statistics-2022**), and vehicle data from EV Database (**https://ev-database.uk/cheatsheet/energy-consumption-electric-car**). This means our impact portfolio generation could power 513,249,727 miles travelled by a 'typical' EV. Assuming the UK average milage of 6,600, this would power 77,765 EVs (**https://www.gov.uk/government/statistical-data-sets/nts09-vehicle-mileage-and-occupancy**). Latest UK government licensing statistics report UK EV fleet as 694,890 (June 2023).

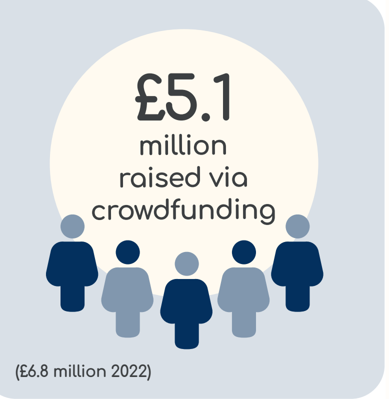
[5] RenewableUK uses DESNZ's "all non-renewable fuels" emissions statistic of 424 tonnes of carbon dioxide per GWh of electricity supplied in the Digest of UK Energy Statistics (July 2023) Table 5.14 ("Estimated carbon dioxide emissions from electricity supplied". Carbon reduction is calculated by multiplying the total amount of renewable electricity generated by Thrive's impact portfolio per year by the number of tonnes of carbon which fossil fuels would have produced to generate the same amount of electricity.

[6] We are not able to source a nationally recognised means of calculating the water saving generated by generating electricity using wind and solar. The power sector consumes over 40% of Europe's water, mainly for cooling purposes. Nuclear consumes approximately 2.7m3/MWh, gas plants 0.7m3/MWh and coal plants 1.9m3/MWh (**https://www.ewea.org/fileadmin/files/library/publications/reports/Saving_water_with_wind_energy.pdf**). Our crude, but intentionally conservative analysis, using the UKs 2022 generation mix, provides a conservative average water consumption per MWh figure which attributes no water consumption to other thermal sources such as oil and bioenergy, or hydro. We have multiplied Thrive's impact generation by this factor, assuming that if our renewable projects had not generated this electricity, the UK grid mix would have (Energy Trends March 2023, Table 5.1 – Electricity generated by fuel main table (all generating companies).

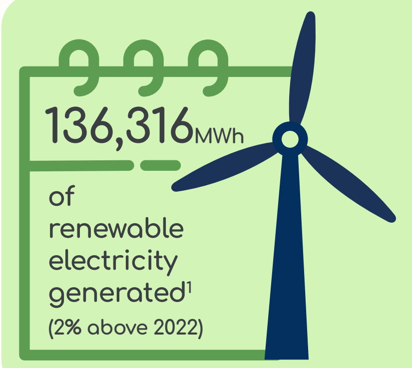
Financial impact

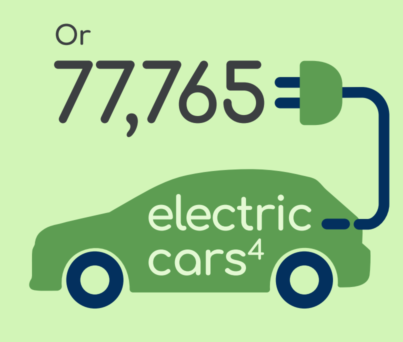


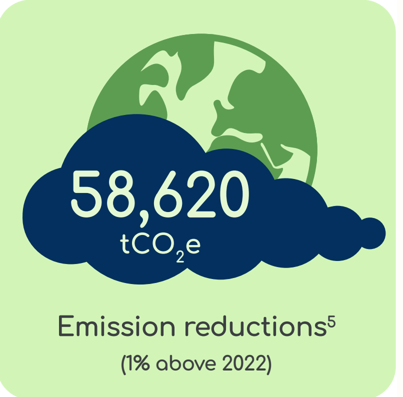


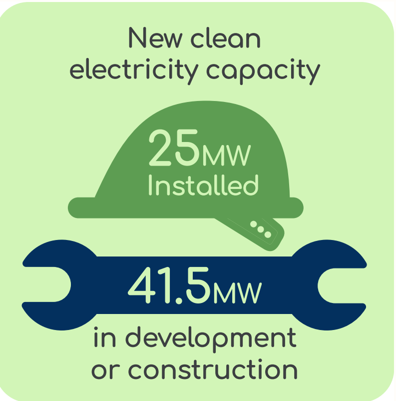


Environmental impact

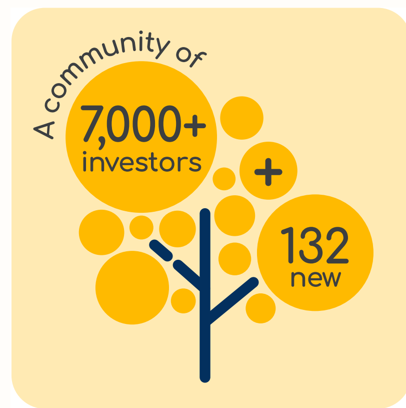




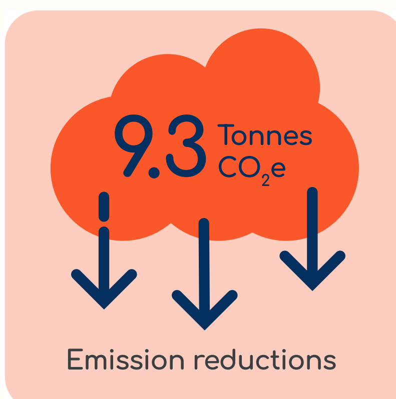


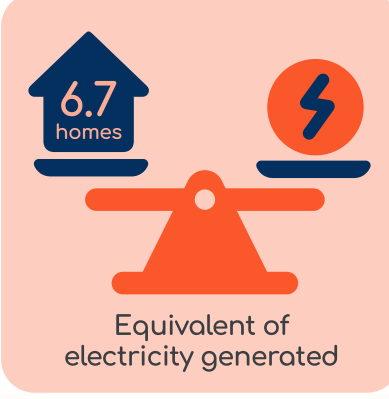


Social impact



Performance per average shareholding (4,467 shares)[8]





[7] The reported carbon savings associated with Thrive's community benefit programme are based on estimates made during application for funding. These estimates have not been revisited post completion of the funded projects.

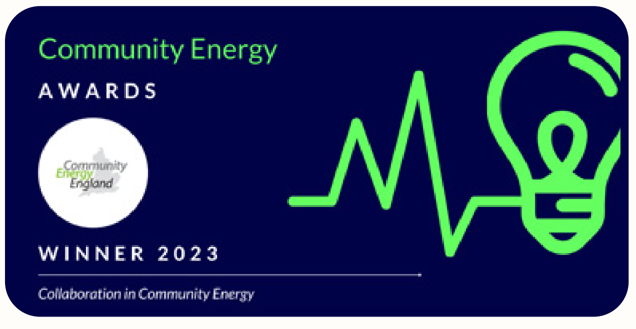
[8] Thrive Renewables average shareholding of 4,467 shares as of December 2023. Total shares in issue were 28,062,715 and total number of shareholders were 6,282.

2023 awards

ESG Investor of the Year

Net Zero
Energy Developer

Green Finance



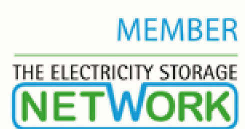
Certified B Corporation

Re-certified with

131.1

(2020 110.8)

Memberships



Bristol Climate &
Nature Partnership

renewableUK

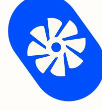
Our projects

Projects combined electricity capacity	286MW
Of which Thrive owns or is funding	130MW

1. Loch a'Bhraoin

Mezzanine loan
2MW hydro
Location: Highlands, Scotland

2. Beochlich



1.0MW two hydro-electric turbines
Location: Argyll, Scotland

3. Haverigg II

2.4MW four-turbine wind farm
Location: Cumbria

4. Sigurd

1.3MW one-turbine wind farm
Location: Orkney Islands

5. Caton Moor

16MW eight-turbine wind farm
Location: North Lancashire

6. Ness Point

2.75MW one-turbine wind farm
Location: Lowestoft, Suffolk

7. Dunfermline

1.5MW one-turbine wind farm
Location: Dunfermline, Scotland

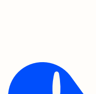
8. Eye

5MW two-turbine wind farm
Location: Eye, Suffolk

9. Fenpower (Ransonmoor)

10.1MW five-turbine wind farm
Location: Cambridgeshire

10. Severn



8.2MW four-turbine wind farm
Location: Avonmouth, Bristol

11. March

1.5MW one-turbine wind farm
Location: Cambridgeshire

12. Auchtygills and 13. Clayfords

Thrive Renewables (Buchan) Limited
800kW each, two-turbine wind farm
Location: Aberdeenshire, Scotland

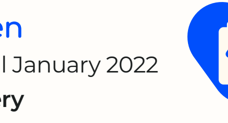
14. Boardinghouse

10.25MW five-turbine wind farm
Location: Cambridgeshire

15. Drumduff

Joint venture – operational
6MW three-turbine wind farm
Location: West Lothian, Scotland

16. Wicken



Operational January 2022
5MW battery storage system

Location: Milton Keynes

17. Sunderland[9]

0.6MW solar rooftop
Location: Sunderland

18. Birmingham

1MW commercial solar
Location: East Birmingham

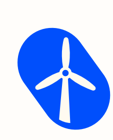
19. Birmingham II

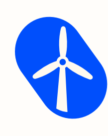
Operational July 2023
0.8MW solar rooftop
Location: East Birmingham

20. Feeder Road

Operational late 2023
20MW battery storage system
Location: Bristol

21. Ambition Community Energy





Operational 2023
4.2MW single wind turbine
Location: Bristol

New projects

22. Chapelton

Development
2.7MW wind farm
Location: South Ayrshire, Scotland

23. United Downs

Development (JV)
2MW geothermal
Location: Redruth, Cornwall

24. Kilbernie

Mezzanine loan investment Attix CIC, in construction
2.5MW wind farm
Location: Ayrshire, Scotland

25. Ethical Power Investment – Solar I

Mezzanine loan investment
37MW solar farm
Location: Aberdeenshire, Scotland

26. Ethical Power Investment – Solar II

Mezzanine loan investment
20MW solar farm
Location: Aberdeenshire, Scotland

27. 28. Ethical Power Investment – BESS I and II

Mezzanine loan investment
25MW, each battery storage system
Location: Aberdeenshire, Scotland

29. Ethical Power Investment – Solar III

Mezzanine loan investment
45MW solar farm
Location: Aberdeenshire, Scotland

30. Ethical Power Investment – Solar IV

Mezzanine loan investment
26MW solar farm
Location: Shropshire, England

[9] Repaid April 2023

We believe in the power of together.

A world where everyone can be part of the clean energy generation. Putting money to work building new sustainable energy projects and empowering people to take action to address the climate emergency.

Our values

Sustainable at the heart
We're totally committed to a clean energy future that benefits everyone. That's why we have been investing in sustainable power in the UK for over 30 years. Thrive people are outcome driven, commercially innovative and passionate about making a positive impact in all we do. We only invest in clean energy projects that deliver long term, measurable environmental impacts.

Rewarding connection
Thrive exists to enable people to change the future of energy for the better. We believe that bringing together people, proven technologies and a pioneering approach will accelerate the transformation our world needs. We share knowledge, insights and opportunities generating outcomes that are good for everyone.

Together we can be a movement for change.
We are inspired by being part of a movement that delivers tangible change. A movement that sees the true value of making a positive environmental and social impact. Our eyes are fixed on a better future; let's make the switch from fossil to sustainable, generating clean energy today, for generations to come.

A springboard for ambitious growth

2023 was Thrive's most profitable year ever[10], due to consistent generation combined with short-term high wholesale electricity prices. In line with our mission, we believe it is appropriate to use the additional profits generated by high wholesale prices to fund and build new projects which will reduce UK carbon emissions, reliance on imported fuel, and ultimately energy bills for consumers.

How will the cash generated from operations in 2023 be deployed?	
Investment in new projects	**£11 million**
Dividends for shareholders	**£3 million**
Income tax and Electricity Generator Levy	**£4 million**

Several exciting new investments were made in 2023 including our largest to date - a £20 million loan to developer Ethical Power to fund their share of a pipeline of clean energy projects. We also invested £4 million into Scotland's first subsidy-free community owned wind turbine in North Ayrshire, continuing our commitment to support community-owned projects.

836 shareholders took part in the fundraise, raising £5.4 million

We are at a pivotal time in our development as we see an increase in investment opportunities across a wide range of technologies, enabling us to build and diversify our portfolio further, growing our impact and resilience. After a thorough review of our strategy in 2023, we announced plans to double the amount of clean energy capacity we build and fund over the next five years. This will be funded by equity capital raised via a combination of crowdfunding, professional impact investors and businesses. Over the next five years we will continue to complement equity investment with debt sourced from both crowdfunded bonds and banks. An equity crowdfund was launched in October 2023, which closed in January 2024 raising £5.4 million, which will be deployed into new renewable electricity generating capacity. We were delighted that despite the ongoing cost of living crisis, a total of 836 existing and new shareholders agreed with our plans and approach and took part in the fundraise.

As a business, Thrive continues to demonstrate resilience in an environment of economic turmoil. Inflation linked revenue continues to counter increased costs and interest rates on the majority of our debt are fixed throughout the term which has insulated us from rising base rates. As at 31st December 2023 80% of our debt has a fixed interest rate.

[10] Excluding 2019 when profits included proceeds from the sale of two wind farms

Business strategy

We will continue to deliver value and growth using our innovative commercial approach and flexibility, bringing together individuals, communities and business to get a diverse range of clean energy projects constructed and operational. We build resilience into the portfolio in a number of ways:

- Technology diversity – wind, solar, hydro, storage, geothermal
- Revenue diversity - long and short term Power Purchase Agreements (PPAs), Contracts for Difference (CfD), Corporate PPAs (cPPA) and direct wire
- Commercial diversity – investing directly into the ownership of projects and providing debt solutions to other clean energy project owners

Blade replacement at Sigurd, old blades will be repurposed

2023/24 focus

1. Secure value and long-term future for the existing portfolio:

a. 31 operational, funded and development assets with the potential to generate value, both financially and environmentally.

b. Undertaking works to extend the contractual and physical operational life of our generation equipment to secure the next 20-30 years.

2. Grow and diversify our renewable generation portfolio by:

a. Grid Connected clean energy: investing via equity and debt in grid connected solar, wind, hydro and battery storage. We will also seek larger projects which are eligible for government CfD auctions, benefiting from the long- term price stability they provide.

b. Direct Wire renewables: investing in solar rooftops and on-site wind, enabled by long term Power Purchase Agreements with industrial hosts.

c. Development and repowering: creating a small development portfolio of pre-consent renewable energy assets, including life extension at our existing sites.

d. Co-locating technologies: like solar or storage on our wind farms for example, making the most of scarce grid connection capacity.

e. Community Energy Funding Bridges : funding, rather than owning projects, adds resilience to the portfolio. We are providing an increasing number of community energy funding bridges, where we supply funding and expertise to community groups to deliver renewable energy projects which deliver socially as well as environmentally. In the post subsidy market context, the additional scale Thrive can contribute to community energy is increasingly important.

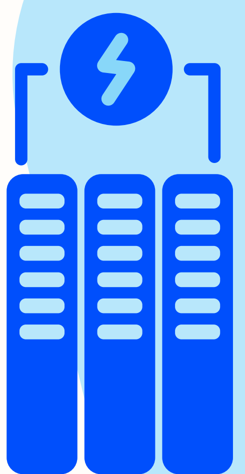
3. Enhancing stakeholder relationships:

a. We will continue to bring individuals, communities and businesses together to power the UK's transition to a clean and just energy system.

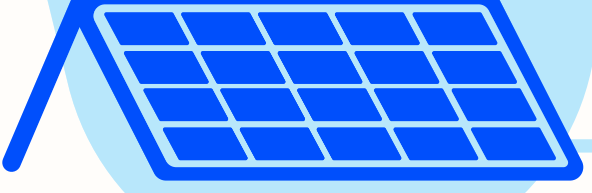
b. Thrive works with networks, industry bodies, politicians and like minded organisations to promote renewable energy, build trust and highlight the role of business as a force for good. We firmly believe that for the energy system to deliver net zero, then the sector needs richer engagement with the whole of society.

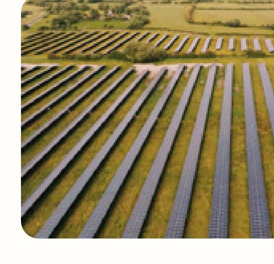
Investment

In 2023 we continued to deliver our technology and revenue diversification strategy, which is aligned with government policy to transition to a renewables dominated electricity grid by 2035. Renewables now account for more than 47% of UK electricity generation – a new annual record set last year which represents a 40% rise from 7% in 2010.[11] The UK is the first major economy to halve its greenhouse gas emissions between 1990 and 2022, while also growing its economy by 79%.[12]



We continued to invest in a range of **proven clean technologies** that can work together to **fully decarbonise the UK's electricity system,** reflecting the government's legally binding net zero targets.





1. Grid connected wind and solar

£20M loan to Ethical Power to construct around 190MW of new projects.

2. Direct wire renewables

continued to build pipeline of new projects.

3. Flexibility

Feeder Road battery storage constructed and operational.

4. Baseload renewable electricity generation

further investment in United Downs Geothermal to fund final stage of construction which is now underway.

5. Early stage development

creating a long-term pipeline of additional assets.

[11] https://www.gov.uk/government/statistics/energy-trends-march-2024

[12] https://www.gov.uk/government/news/uk-first-major-economy-to-halve-emissions

Energy Prices

Thrive manages its exposure to energy price volatility by accessing a diverse range of revenue streams, maintaining a number of different long-term power sales arrangements and fixing power prices up to 24 months in advance. This hedging strategy aims to reduce volatility of our revenues. Continued price volatility in the electricity market since has evidenced the value of this strategy.

In practice, our long-term hedging approach means we tend to see a 'lag' in how global energy prices are reflected in our financial performance. Having successfully fixed generation power prices for 2023 in 2022, higher prices from last year are reflected in this year's performance. We expect that these high electricity prices have peaked and markets will normalise over the next five years. The exceptional profits generated due to high wholesale prices are deployed into additional new clean energy capacity which will in due course generate electricity at lower prices .

Government Policy

March 2023 saw a flurry of climate and energy documents as part of the government's 'Energy Security Day', including a new net zero strategy to respond to a high court ruling that its climate strategy was unlawful. A total of 44 documents were published, including 20 related to consultations, with the Powering up Britain package at the centre. As the secretary of state for energy security and net zero said:

> "Instead, this is the moment we commit to a different future. One that breaks with the fossil fuels that powered our past two centuries. One that will meet Britain's long-term energy needs. One that will get bills down so they stay down, and deliver among the cheapest wholesale energy prices in Europe by 2035. One that will help us become a net zero economy by 2050, ending our contribution to global warming. And one that will boost economic growth, using Britain's unique assets and talents to drive the energy transition."

Claire Coutinho, Secretary of State for Energy Security and Net Zero

There have been a number of announcements from government subsequently that appear to conflict with its stated net zero ambitions, threaten the UK's climate leadership and create uncertainty. These include the damaging decision to award new contracts for North Sea Oil and Gas extraction. It is important to note amidst this ongoing and familiar political uncertainty, that the direction of travel for renewables remains positive, as the UK has a legal requirement to meet net zero by 2050 and sourcing cheap, homegrown electricity is an economic imperative for the country. We continue to work constructively with industry bodies and government, participate in consultations and take part in other engagement to support the UK's transition to a cleaner, fairer energy system. This year we contributed to consultations, a DESNZ round table on community engagement for onshore wind planning, a Regen workshop on Nodal Pricing, Innvovate UK's 'Prospering from The Energy Revolution' challenge and numerous initiatives with industry bodies including Renewable UK, the UK Sustainable Investment and Finance Association and Solar Energy UK.

The government has continued to consult on reforming the electricity market to better serve the consumer and facilitate its stated ambition to source 95% of UK electricity from low-carbon sources by 2030 with its Review of Electricity Market Arrangements (REMA). Currently, electricity consumers do not tend to benefit from lower priced renewable generation because the wholesale price is set by gas due to the way the wholesale market and balancing mechanisms work. Whilst the REMA process is protracted and creating short-term uncertainty, we welcome the recognition that the current system does not work for either consumers or renewable generators. Prices for renewable generation, flexibility and storage need to reflect the long-term investment required to deploy and operate them. With the right government support – like Contracts for Difference (CfD) - there is huge opportunity to offer both generators and consumers the stability they need and avoid damaging price shocks. By enabling consumers to benefit from lower priced renewable generation, there is the potential for huge growth in the rollout of heat pumps for example, further reducing our reliance on dirty imported gas to heat our homes.

The Ambition Community Energy wind turbine we funded was one of only two turbines built in England in 2023. The government announced in September that they were easing the effective ban on onshore wind farms in England, but our call for a level playing field – that wind turbines simply be treated the same as any other infrastructure by the planning system - was not answered. We do, however, welcome government recognition of the benefits of re-using existing sites,

by indicating that significant weight be given to this when considering applications for the repowering and life-extension. As technology improves and scales, there is potential to generate much more power from existing locations. The government has received no new applications for onshore wind farms in England since the rules were eased[13]. We continue to campaign for onshore wind in England.

The renewables industry has also been a victim of its own success as the electricity network struggles to adapt to hundreds of gigawatts of new capacity becoming available to connect. This has led to a queue of applications and a projected wait of in many cases over five years, holding up the UK's transition to clean energy. We were pleased to see in November that Ofgem allowed the National Grid Energy Systems Operator (ESO) to reform how the queue is managed so 'shovel ready' projects can be prioritised in the queue and built more quickly. There are also further plans in place which aim to halve the time it takes to build the all-important transmission infrastructure[14].

> "We are at a pivotal time in our development as we see an increase in investment opportunities across a wide range of technologies, enabling us to build and diversify our portfolio further, growing our impact and resilience."

UK Sustainable Investment and Finance Association site visit

[13] https://www.theguardian.com/environment/2023/nov/11/onshore-wind-projects-england-stall-no-new-applications-are-received

[14] https://www.ofgem.gov.uk/publications/ofgem-announces-tough-new-policy-clear-zombie-projects-and-cut-waiting-time-energy-grid-connection

Investment update

Project name	Technology	Capacity	Date of investment	Status	UN Sustainable Development Goal
Chapelton		2.7MW	Nov 2019	In development	
Ambition Community Energy		4.2MW	April 2022	Commissioned in 2023	
ATTIX CIC		2.5MW	October 2023	Construction commenced	
Ethical Power Investment		178MW	September 2023	Development & construction	
Olympus		0.8MW	Nov 2020 ongoing	Operational	
Renewable Heat Holdings Limited (formerly known as Rendesco Holdings Ltd)		-	November 2021	Retirement home installations completed. Domestic installations commenced	
Feeder Road		20MW	Feb 2021	Commissioned in December 2023	
United Downs		2MW electricity	Jan 2020	Construction commenced	
Geogen		TBA	November 2021	Planning & development	
Riding Sunbeams		TBA	September 2020	In development	
Drumduff extension		TBA	March 2021	In planning	

Wholly own Lending Shared ownership

Ambition Community Energy

In April 2022, Thrive provided a £4 million loan to Ambition Community Energy CIC (ACE), a community energy initiative based in Lawrence Weston, Bristol, to fund the construction of England's largest onshore wind turbine. Groundworks began in July 2022, with construction completed in April 2023. Now operational, the 4.2MW turbine has had an extremely successful first six months. It is capable of generating enough clean power for close to 3,000 homes annually – the equivalent to the Lawrence Weston's domestic use.

ATTIX CIC

We have a provided £4 million loan to ATTIX Community Interest Company (CIC), so that the community energy group can construct a 2.5MW turbine just outside Kilbirnie in North Ayrshire. Once built, it will be the first 100% community-owned onshore wind turbine in Scotland to operate commercially, without the benefit of government price support mechanisms. Construction is currently underway and is expected to be completed by the end of 2024. The turbine will have the capacity to generate 7,839 MWh of clean electricity per year, the equivalent of powering 2,234 average UK homes, and will also deliver 3,324 tonnes of carbon emissions reductions annually. Profits from electricity sales will be reinvested back into the local area, which could include local sports and recreational facilities, as well as supporting the refurbishment of the Knox Institute building – a one-time important community hub.

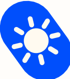
Ethical Power Investment

We have signed an agreement with Ethical Power, which will see us provide the business with a loan of up to £20 million to help fund part of its renewable pipeline of ground mount solar and battery storage sites (178MW). Four solar PV projects in England and Scotland (128 MW in total) have already been identified, with one currently in construction. Through various partnerships, Ethical Power owns solar and battery energy storage projects at different stages of development and construction, including two large solar and BESS projects. Ethical Power is the principal engineering, procurement and construction (EPC) contractor on these projects, which enables optimal design, streamlined delivery and the most effective use of the resources from development to operation.

Feeder Grid Storage Limited

Construction of our 20MW battery project at Feeder Road in Bristol completed very early in 2023, with Thrive becoming the first commercial battery owner in the UK to offer the local community a stake in a standalone battery. Bristol Energy Cooperative was able to make a co-investment of up to 20 per cent, meaning that local good causes will be able to benefit from a share of the revenues generated from the project. We're also putting additional funding into Feeder Road to ensure the project continues to have a positive impact; this includes £20,000 for a feasibility study on a potential community heat project and ongoing biodiversity measures.

Due to unforeseen circumstances, commissioning was delayed but the battery entered full commercial operation in December 2023. This took longer than expected due to the insolvency of the EPC contractor. Renewable Energy Systems (RES) has been appointed as the new asset manager for the project, with the battery now connected to the grid and capable of delivering 1.5 hours or 30MWh of electricity.



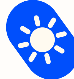
Olympus Power – subsidy free, direct wire

In November 2020, Thrive completed a funding agreement with Olympus Power Ltd (OP). OP develops and installs solar PV at commercial and industrial sites and offers the host direct supply of the renewable electricity generated on a 'direct wire' basis. The host businesses are motivated not only by the competitive power price offered, but additionally their customers are demanding a reduction in the carbon content of their supply chain, so the solar power is helping them maintain and win business. Two projects totalling 1.6MW are operational and OP has now repaid Thrive for one of these projects. An additional 830kW project was commissioned in July 2023.

United Downs Geothermal - baseload renewable power

In 2020, we made an initial £3 million investment in United Downs Geothermal Ltd – the UK's first geothermal electricity generation plan based in Cornwall. In March 2023, we followed this up with a further £2.8 million investment alongside co-investors, with the funding being used to complete construction of the project by the end of 2024. Site operator – Geothermal Engineering Limited (GEL) – predicts United Downs will deliver 2MWe of baseload electricity once operational, plus additional zero carbon heat.

Tests at United Downs have shown that geothermal fluid within the wells has one of the highest concentrations of lithium in Europe at 340 parts per million (ppm). This sustainably produced UK lithium has the potential to fulfil a significant portion of the UK's lithium needs, helping to support the growing EV industry as we transition to net zero.



Riding Sunbeams – development pipeline subsidy free, private wire

In September 2020, Thrive invested £200,000 into Riding Sunbeams Apollo Ltd (RSA). RSA's mission is to deliver renewable electricity directly to the railway network, whilst delivering benefits to line-side communities. With plans for both further electrification and significant decarbonisation, renewables delivering power directly into the rail network has huge growth potential. Thrive made an additional cash investment of £251,000 in 2021, and a further £150,000 in January 2022. Thrive has also provided £330,000 of 'sweat equity' in the form of additional resources and expertise to Riding Sunbeams.

RSA is continuing to work on both the development of an AC converter to allow solar power to be connected directly to the overhead traction network and the identification of solar development sites at prime locations for connection to the DC traction network. Both Network Rail and Transport for London (underground) have issued a prior invitation notice setting out their interest in connecting renewable energy directly to their traction networks. RSA is preparing to participate in the tender process later this year.

RSA has been highlighted as a case study in the government's net zero strategy, was a finalist at the 2021 Ashden Awards for UK Climate Innovation and, in 2022, was hailed as a top 50 climate start-up by PwC. Most recently, RSA won $75,000 in Cisco support as part of the company's first Fast Future Innovation Awards. The prize will be delivered in the form of resources, expertise, and scale to help Riding Sunbeams to develop, prototype and implement its ideas.

Operational Review

Thanks to our strategy of outsourcing all day-to-day management of operational projects to third party experts, we have been able to continue to successfully diversify and incorporate more solar and battery storage into the portfolio. Our focus internally remains on safely achieving best long-term value and output from the sites, sharing experience and good practice across all projects. There was one reportable Health & Safety incident in 2023; a technician fractured a bone in his foot whilst leaving the site after completing work on a turbine.

Life extension and repowering

The 22 year old turbine blades at Sigurd in Orkney have flown 8 million miles over their lifetime and generated 88GWh of clean electricity. Situated at one of the windiest sites in the whole of the UK, they are calculated to have reached end of life and cannot be reused. They can, however, be made into useful items like bike shelters or EV charging stations. The new blades we fitted in September could provide ten years or more of extra life for the turbine, whilst the old blades will live on and serve a new purpose.

In December 2023, we reached agreement with the landlord to extend the lease on our 1MW Beochlich hydro project for a further 25 years. The project, which has been operating since 1998, is located on the south-east side of Loch Awe in Argyll, an area recognised as one of the best locations in the country for small scale hydro-electric generation. The project generates in the region of 4.5GWh of renewable electricity a year – enough to power 1,126 UK homes. As well as being a key renewable energy source, the hydro project helps to regulate water flow which is positive for plant health and irrigation purposes.

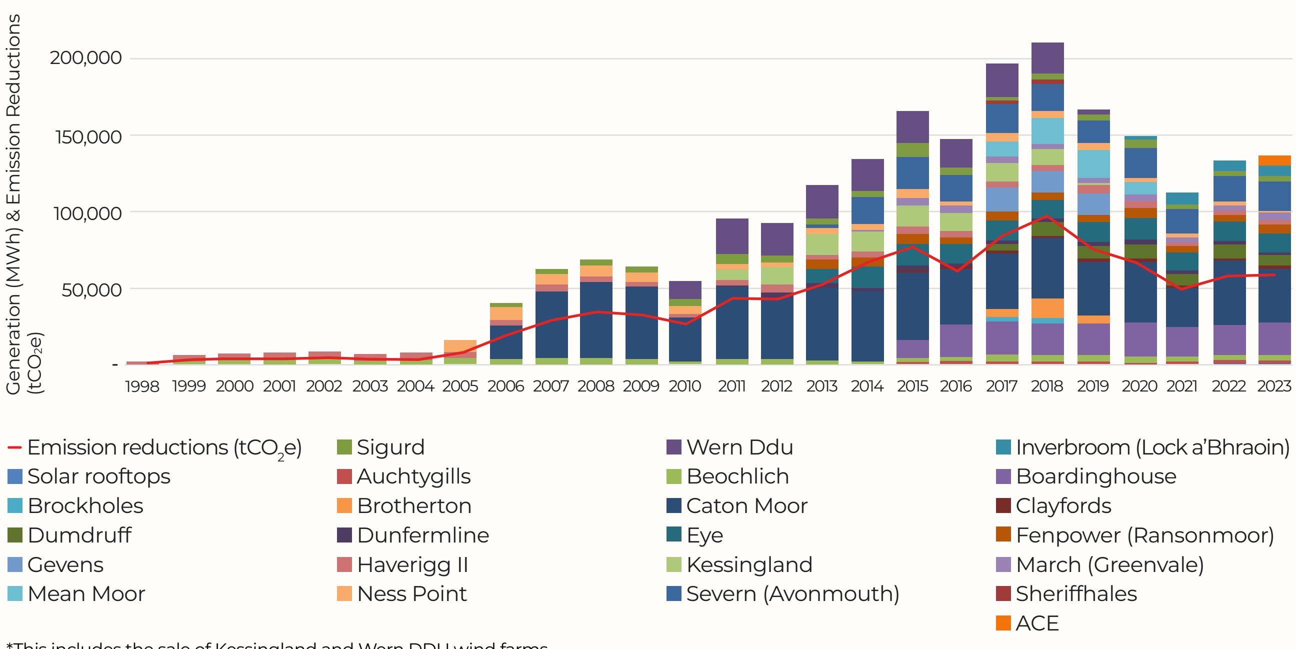
Operational results

The wind portfolio continued to perform well, with consistent generation in 2023 compared to the previous year. Overall wind speeds in the UK were slightly lower than the long term average in 2023[15], with good months in January, July and December. Thrive's total owned portfolio generated 122,389 MWh from 14 operational projects in 2023, a decrease of 2% from the previous year (2022: 125,359 MWh, 14 projects). There was a dip in availability at Caton Moor at the end of the year, triggered by local grid upgrades and faults off site preventing export. Reliability issues also continued at Ness Point, a 2.75MW single turbine, despite numerous visits by technicians and repairs. We are now in the process of implementing a major overhaul at this site which we expect will bring the turbine back into reliable generation and extend its operational life. The four-turbine wind farm at Avonmouth in our home city of Bristol performed particularly well this year.

The charts below and overleaf illustrate generation and associated emissions reductions from our Impact portfolio, which characterises Thrive's share of projects owned, as reported above, plus the projects we are funding.

Thrive Renewables generation and emission reductions, Impact portfolio

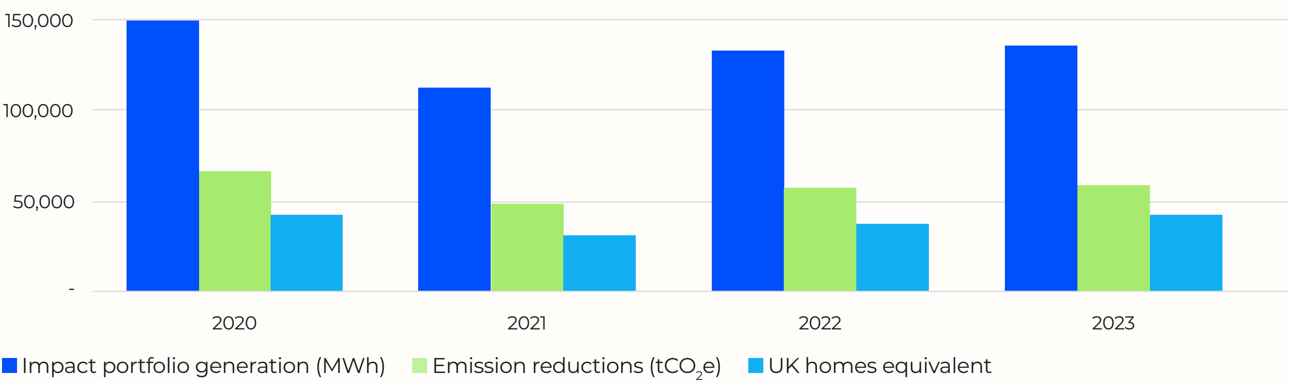
Eight operational projects sold or repaid since 2019*



*This includes the sale of Kessingland and Wern DDU wind farms, as well as the repayment of funding provided to five operational projects – Brockholes, Brotherton, Gevens, Mean Moor and Sheriffhales.

[15] https://www.dnv.com/article/windiness-2023-review-uki/

Thrive Renewables' electricity generation and Impact



Battery storage

Key to Thrive's model is the effective management of contracts and contractors. Relationships with the vast majority remain stable and positive. However there have been challenges with our new battery storage projects as one major supplier went into liquidation in July. Although technical issues at Wicken were addressed under the warranty, it had a significant impact on commissioning progress at Feeder Road. New contractors have been appointed and Feeder Road is now operational. In common with the rest of the industry, we are seeing market revenues from battery storage below forecast. Longer term, we expect the situation to stabilise as the market recognises the value of storage in the new renewables-dominant system. In addition, the diversity of our portfolio means we are not overly exposed to the flexibility markets.

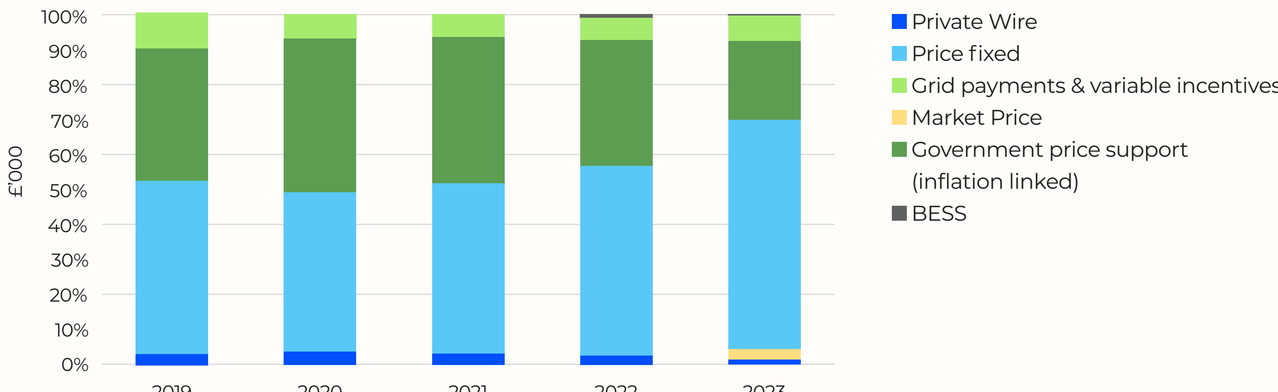
Feeder Road

Power prices

The majority of Thrive's revenue is produced by the generation and sale of electricity. Whilst we also benefit from interest income (from our funding bridges) and dividends (from our co-investments), the sale of electricity is the key financial driver. The management of the sources and levels of generation related revenues is therefore very important to us. We maintain diversity in our sources of revenue with a view to achieving resilience. Diversity is achieved by having different power sales arrangements throughout the portfolio. Historically this has been a range of commercial Power Purchase Agreements (PPAs) combined with government backed price support mechanisms. As we grow in a post subsidy energy context, we continue to increase the portfolio of Private Wire PPAs (selling power directly to host consumers), and have added Corporate PPAs (selling power to particular businesses via the national electricity grid). In addition, United Downs will be benefiting from the stability offered by the Government's Contract for Difference (CfD) model.

For most of our projects the power sales revenues are complemented by government backed, inflation linked price support mechanisms which are achieved by supplying renewable generated electricity which contributes to national targets. These price support mechanisms provide an effective floor on the price which Thrive achieves for the sale of electricity which has varied between 50% and 30% of total revenues over the last five years. The chart overleaf illustrates this. Whilst government backed price support has remained stable, and grown with inflation, the proportion of Thrive's revenue the price support represents has reduced as the power price revenues have increased by more than inflation.

Revenue sources 2019 - 2023



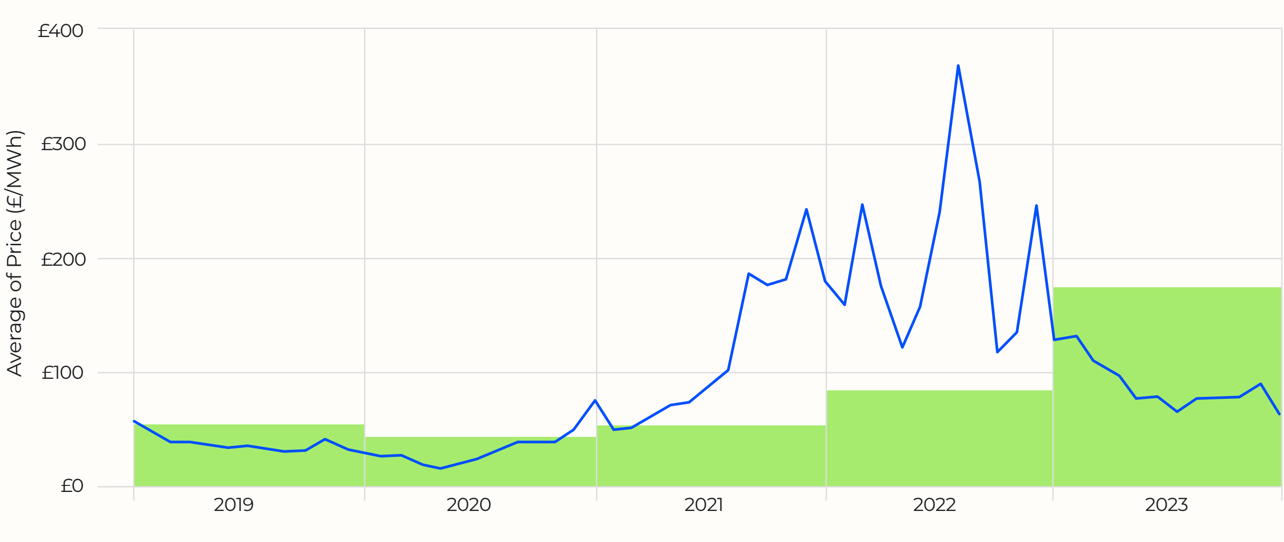
The light blue segments on the chart above illustrate the proportion of revenues achieved under fixed price PPAs. Most of our sites benefit from PPAs which sell power to energy suppliers. These PPAs allow us to fix our electricity sale price for up to three years in advance. This fixing mechanism allows us to both smooth out the volatility of electricity wholesale prices, and provides visibility of revenue levels for the forthcoming period. Fixing is an effective risk management mechanism, but it can provide a lag in exposure to both the highs and the lows of market prices. This can be seen in the chart below. Over the last five years we have seen enormous electricity price volatility driven initially by the Covid pandemic, then the ongoing Ukraine crisis and now elevated unrest in the Middle East. These world events have exacerbated the more routine price volatility we experience from energy demand more typically driven by weather, industrial demand and oil and gas supply.

The revenue sources chart also illustrates revenues from direct wire, which again have been stable, but shrunk as a share of the total revenues as the fixed power prices have increased to a greater extent due to the elevated wholesale market prices. Now that Feeder Road Battery Energy Storage System (BESS) is online, we will see more revenue from BESS going forwards.

Over the course of 2023 and early 2024, wholesale electricity prices have trended downwards from the peaks seen in 2022 towards pre-covid levels. Thrive continues to maintain diversity in its power sales contracts with a view to managing exposure to short term volatility and visibility of near term future revenues.

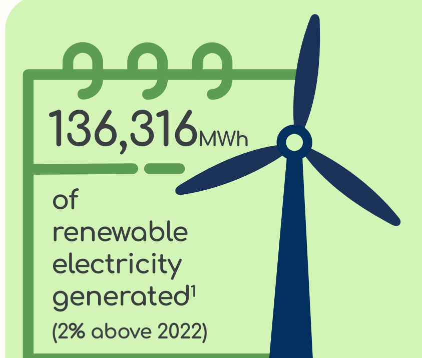
UK wholesale electricity prices £/MWh 2019 - 2023.

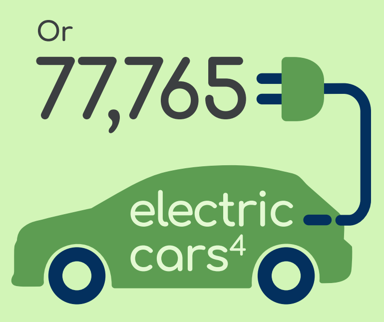
Also showing the average annual electricity prices secured by Thrive.

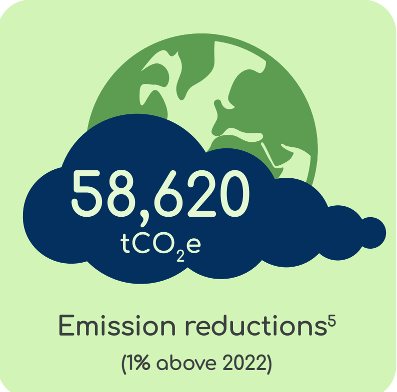


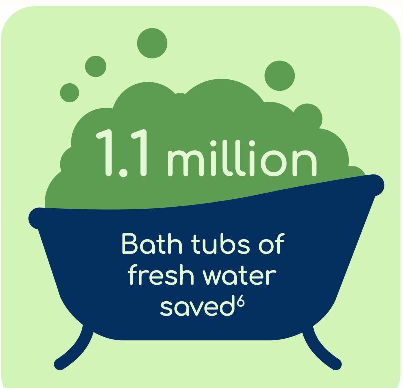
Impact Report

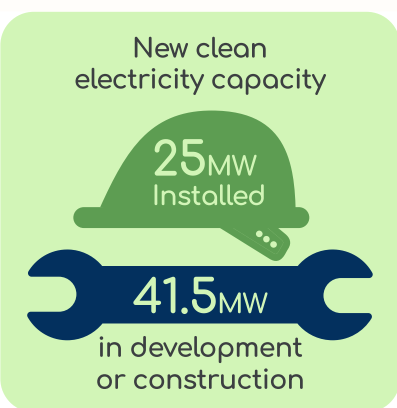
Environmental impact



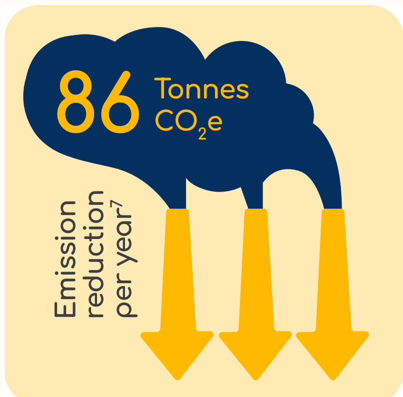


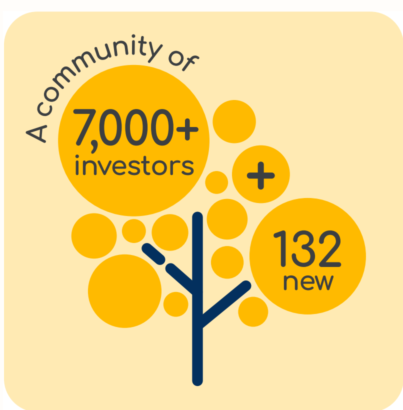






Social impact





Mission and approach

Thrive's mission - putting money to work building new sustainable energy projects and empowering people to take action to address the climate emergency - informs every investment and procurement decision we make and is reflected in our KPIs and reporting. Across our portfolio of clean energy projects, we aim to balance the needs of people with those of the planet. Because without the support of the majority, we cannot tackle the climate crisis effectively.

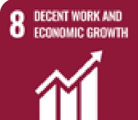
We favour integrity and authenticity over checklists; everyone at Thrive is encouraged to be curious and ask difficult questions. We do, however, welcome outside scrutiny; we are a certified B Corp and also a member of Bristol Climate and Nature Partnership, Better Business Act and the SME Climate Hub, collaborating to improve business ethics and accountability. We recognise that as human beings we will not always get it right, but we are transparent about the challenges we face, actions we take and how decisions are made.

To ensure we continue improving our impact, we have objectives that outline our intention, and we measure these against a number of Key Performance Indicators. These correspond to the United Nation's Sustainable Development Goals (UNSDGs).

Below is a summary of our core business objectives, the action we're taking to achieve them and how we measure our success – aligned to the appropriate UNSDGs.

Objective	Activity	Measurement	UNSDGS
Reduce UK carbon emissions to directly address the climate emergency	Fund, own and operate clean energy projects. We invest in the future of the UK energy system and support innovation using pioneering commercial approaches	Clean energy generation & CO2 emissions reductions	7, 9, 13
Bring people together to take a stake in the UK's transition to a clean energy system	Widen ownership of renewable energy projects and provide accessible opportunities to engage	Number of shareholders and bondholders, plus members of community energy groups we provide funding to	7, 13
Operate our business as a force for good environmentally and socially	Engage with the communities who host our sites and those who make the product we use fairly and transparently; protect and enhance the environment. Use our buying power to reward ethical producers.	Community Benefit Programme, net zero reporting, B Corp certification, biodiversity reporting	7, 8, 11, 12, 15
Uphold rigorous standards of governance with transparent reporting	Our culture is based on integrity and an ethical approach. We are transparent, fair, and just in all our transactions and we don't avoid difficult issues.	Annual, half year and impact reports	8

Affordable and clean energy
Ensure access to affordable, reliable, sustainable and modern energy



Decent work and economic growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

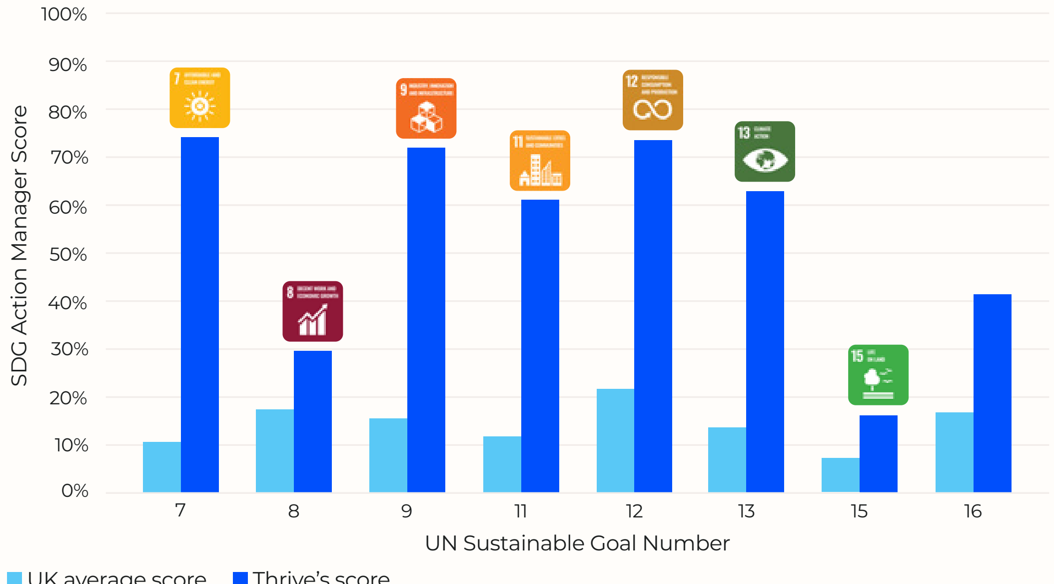
Industry, innovation and infrastructure
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Sustainable cities and communities
Make cities and human settlements inclusive, safe, resilient and sustainable

Responsible consumption and production
Ensure sustainable consumption and production patterns

Climate action
Take urgent action to combat climate change and its impacts

Life on land
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests combat desertification, and halt and reverse land degradation and halt biodiversity loss



In 2023 we continued to measure our performance using the SDG Action Manager, developed by the United Nations Global Compact and B Lab. This tool enables us to analyse operations, policies and business models in terms of both positive impact and risks relating to the SDGs. It enables businesses to measure performance objectively and identify areas for improvement. Above is an overview of our performance.

Babbasa insight day

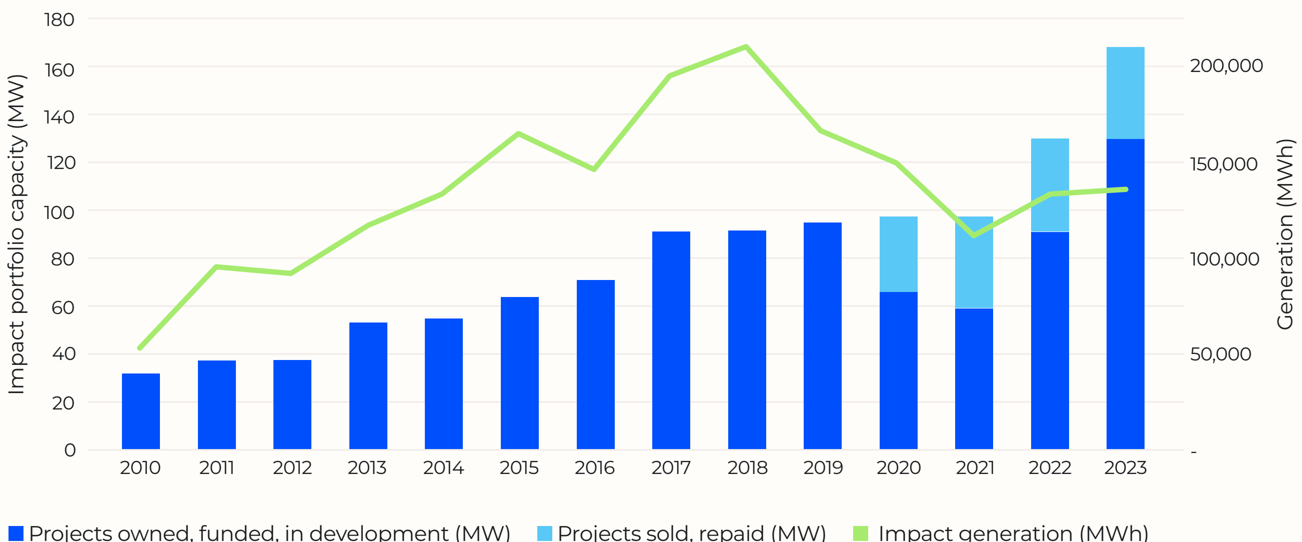
Thrive Renewables performs above average across all the UNSDGs. The seven goals identified as particularly relevant to our business are highlighted in the above chart. Our score is particularly high compared to the UK average on five of these goals which reflect the core purpose of the business– funding and building clean energy infrastructure to help tackle climate change. It is interesting to note that we also performed well against the average in SDG 16 'Peace, justice and strong institutions', reflecting our commitment to business as a force for good incorporating transparency, robust reporting and high standards of governance.

Environmental impact

The core of our business is clean energy generation, which replaces the need to burn fossil fuels to generate power, thereby reducing CO_2 emissions.

The graph overleaf shows the 'impact portfolio' generation and storage capacity we have enabled over time, either through assets we have owned or projects we have funded. The green line shows the generation (in MWh) from our impact portfolio each year. This relates to our portfolio of current projects each year, whose aggregate capacity (in MW) is represented by the dark blue bars. Whilst we do not report on the generation or emissions reductions delivered by projects which we no longer own or fund, the light blue bars on the chart additionally show the cumulative capacity of Thrive's 'legacy projects' – those that have now been sold or repaid. This demonstrates the scale of the renewable capacity and impact our investors have delivered over time.

Generation and storage capacity created and enabled (MW) and electricity generated (MWh)



Biodiversity

We recognise that climate change and biodiversity loss go hand in hand and should therefore be addressed in an integrated manner. That's why, when we invest in new projects, we are committing to conserve and enhance biodiversity on site.

Our biodiversity policy commits us to supporting long-term sustainable development, aligned with the United Nation's Sustainable Development Goal 15: 'Life on Land'. We intend to go above and beyond the 10% biodiversity net gain legal requirements with voluntary initiatives tailored on a site-by-site basis. In 2023 we commissioned ecologists to visit two of our existing operational projects to identify new opportunities for biodiversity improvements. We are continuing this scoping work in 2024 with the objective of having biodiversity management plans in place for most of Thrive's operational projects by the end of the year.

Biodiversity management at Feeder Road, Bristol

In 2022, we improved the project's original landscaping scope to include further voluntary measures such as additional tree and hedgerow planting and installing more bird boxes. In 2023, following completion of the initial landscaping work, we implemented a biodiversity management plan for the site. The plan sets out how it will be looked after into the future, with the aim of delivering the best outcomes for nature. We have been pleased to see the newly created habitats such as our species-rich grassland becoming established and attracting nature. The site was being used by a variety of wildlife in 2023 - including bees, butterflies, and great tits nesting in one of our bird boxes.

Garden at Feeder Road battery site

Supporting the transition to net zero

Kilbirnie

One of our proudest achievements of 2023 was helping to fund Scotland's first subsidy free, 100% community-owned onshore wind turbine. We invested £4 million in community energy group, Attix CIC, to enable them to build the 2.5MW turbine just outside Kilbirnie in North Ayrshire. Once built, it will be the first 100% community-owned onshore wind turbine in Scotland to operate commercially, without the benefit of government price support mechanisms.

Construction is currently underway and is expected to be completed by the end of this year. Once operational, the turbine will have the capacity to generate 7,839 MWh of clean electricity per year, the equivalent of powering 2,234 average UK homes, and will also deliver 3,324 tonnes of carbon emissions reductions annually. Profits from electricity sales will be reinvested back into the local area, which could include local sports and recreational facilities, as well as supporting the refurbishment of the Knox Institute building – a one-time important community hub.

Thrive's funding is complemented by a £1.6 million investment from responsible finance provider, Social Investment Scotland, as part of a blended finance package, while Local Energy Scotland supported the project through planning and design with funding via the Scottish Government's Community and Renewable Energy Scheme (CARES).

> "The Scottish Government is committed to supporting the growth of community energy through CARES and we are proud to have provided this project with both funding and support. Every community project is important in helping us to achieve a just transition to a net zero future and my congratulations go to the team at Radio City Association for reaching this important milestone in what is a significant and innovative development in delivering community-owned energy."

Gillian Martin, Scottish Energy Minister

Net zero by 2030

Thrive Renewables pledges to reach net zero emissions by 2030 via our commitment to the SME Climate Hub, a non-profit global initiative that empowers small to medium sized companies to take climate action and build resilient businesses for the future. This year we have made significant progress, finalising and publishing our first climate report which includes comprehensive emission estimates[16] across all scope 3 areas identified as relevant to the business. We are currently calculating scope 3 emissions for 2023, using the same consistent methodology, which we will publish in our 2023 climate report later this year.

Highlights over the past year include:

- Maintaining our scope 1 and 2 emissions at zero (down from a baseline of 2.9 tCO_2e in 2019).
- Identifying which scope 3 emissions are relevant and reporting comprehensive emissions estimates across these 7 categories for 2022, including all areas relating to the construction and operation of our sustainable energy sites.
- Reducing the carbon intensity of our business travel by 29% compared to pre-covid levels.
- Identifying construction activities as our 'hotspot', accounting for 96% of emissions in 2022.
- Setting a target to reduce Thrive's carbon intensity by 50% by 2030 and identifying priority actions such as looking into carbon-saving materials in future construction.

The table overleaf summarises our reported emissions by each scope from 2019 to 2023. It is important to note that most scope 3 areas, including construction activities, were not calculated before 2022, and therefore a large increase in 2022 is reflective of data deficiencies for the previous reporting years.

Avoided emissions (sometimes referred to as 'scope 4') illustrate the wider carbon impact of the business. Since our inception in 1994, our wind, solar and hydro sites have avoided the emission of over 1 million tonnes of carbon dioxide. This is equivalent to avoiding burning around 369,000 tonnes of coal[17].

Emission area	2023	2022	2021	2020	2019	Comments
Scope 1 (tCO_2e)	0	0	0	2.13	2.87	Includes gas heating for our office which switched to certified green gas in 2021.
Scope 2 (tCO_2e)	0	0	0	0	0	All electricity is renewable supply.
Scope 3 (tCO_2e)	Awaiting third party data	5,764.80**	2.17*	0.35*	3.61*	2022 figure now includes comprehensive emissions estimates across all areas relating to the construction and operation of our sustainable energy sites. This includes the full construction footprint of three new clean energy projects.
Total reported emissions (tCO_2e)	Not yet available – pending third party data	5,764.80**	2.17*	2.48*	6.48*	2019 is our base year for Scopes 1 and 2. We have not yet set a base year for Scope 3.

* Incomplete scope 3 figures for reporting years 2019-2021, which pre-date Thrive's full scope 3 accounting process.

** 2022 Annual Report included a preliminary figure of 53.04 for Scope 3 emissions but this is now the comprehensive figure including construction activities.

2022 was a very successful year in terms of project development and this is reflected in our reported emissions, which include the full construction footprint of three new clean energy projects. This is summarised in the chart on the right, which shows the avoided emissions from operating Thrive's impact portfolio in 2022, against our full reported emissions that year, primarily explained by construction activities. Whilst construction emissions are large in comparison to our other 'day to day' activities, the footprint associated with newly constructed projects can be considered as long-term carbon investment. This is because the projects will continue to deliver emission reductions well into the future – for example, a wind project will operate for 25-30 years with very low emissions during this time. It is well established that the carbon footprints of sustainable energy projects are rapidly 'paid back' shortly after they become operational. None the less, as our largest emission source, we plan to investigate ways to reduce the carbon intensity of construction in the future.

Scope 4

58,314 tCO_2e

Thrive's avoided emissions from operating our portfolio of sustainable energy projects in 2022.

Scope 1-3

5,765 tCO_2e

Thrive's total reported emissions in 2022.

[16] https://www.thriverenewables.co.uk/our-impact/business-ethics/net-zero/

[17] Estimate based on 2.71 tonnes of CO_2e per tonne of coal combusted, an average of the emission factors from latest GOV UK dataset for the different types of coal. https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023

Social impact

Community Benefit Programme
In the face of the ongoing energy and cost of living crises, community hubs have become warm and welcoming refuges for residents struggling to heat their homes. Many of these shared spaces, which are often old and draughty, can be costly to run, particularly with soaring energy bills.

With millions of people in the UK continuing to face fuel poverty, we extended the impact of our Community Benefit Programme even further last year. In conjunction with national energy charity, Centre for Sustainable Energy (CSE) we awarded over £37,000 worth of grants to ten community centres near our clean energy sites. This year we introduced energy efficiency training for communities to help them identify and tackle fuel poverty in their midst.

For the first time, we also provided energy essentials training to community volunteers to enable them to help local people improve energy efficiency in their homes. The training was delivered through a series of webinars run by CSE on a range of topics including fuel poverty awareness and basic energy advice, community approaches to tackling fuel poverty and energy efficiency in community buildings. Grants up to £4,500 were awarded to Debenham Shed in Suffolk, Littleport Scout and Guide HQ in Cambridgeshire, Peedie Kirk Church in Orkney, Halton Community Centre in Lancaster, Young Bristol and many more – enabling them to make important energy efficiency improvements such as roof and loft insulation, LED lighting and double glazing.

Debenham Shed

One of our grantees from 2023 was Debenham Shed, located roughly 8 miles from our Eye wind farm in Suffolk. Debenham Shed aims to improve mental health for retired men and women who may otherwise struggle with loneliness or isolation, by providing workshop facilities with tools and materials for people to connect, converse and create. Debenham Shed applied for our Community Benefit Programme so that they could improve heating and insulation in order to continue running the workshop safely and comfortably throughout the winter.

“More and more people have joined Debenham Shed in the past couple of years to work on their own projects, shared or community projects. We converted a single-skin, steel-panelled lean-to area into a building extension for activities such as woodworking, painting, repair and renovation and are now installing large woodworking machinery.

The grant from Thrive has enabled us to insulate the walls and roof effectively and to install fixed infrared panel heaters, which provide almost instant heat and are programmable, controlled over Wifi from our website. Without insulation and the safe and efficient heaters we'd all have to wear bulky outdoor clothing, which can be unsafe when operating machinery and not pleasant to work in. We'd also have had much bigger energy bills.

By reducing condensation, the improvements will also prevent deterioration of stored goods and materials, projects and machinery in the extension by damp during cold weather. Thus our members will be warmer and safer, our energy bills lower and our assets will last longer.”

Tony Hutt, Treasurer, Debenham Shed

Babbasa insight day

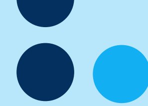
Community engagement
With many people facing fuel poverty as a result of soaring energy prices, we were pleased to be able to support the Centre for Sustainable Energy's (CSE) 'Share the Warmth' campaign – donating £2,000 to support their vital work offering energy advice, emergency assistance, and practical and financial support to those struggling to heat their homes.

We also provided a £1,000 grant to Bristol-based social enterprise, Babbasa, who support and inspire under-represented young people to pursue their ambitions. Thrive's grant will help them to continue offering their Support Programme that works with young people who are at risk or have dropped out of education or employment, who may be facing multiple barriers or challenges, or who are disadvantaged by their background. At the start of 2024 we hosted an insight day for Babbasa's Young People to learn about careers in renewables, including a visit to our Avonmouth wind farm.

Hosting site visits for communities to learn about renewables is an important part of our social impact work. Last summer we invited a group of students from University of Oxford Saïd Business School to visit our Avonmouth site. The group were interested in finding out more about the technical and commercial aspects of funding, building, and operating clean energy projects, with many looking to pursue green careers upon graduating.

Gender Equality

Salary ratios[18]



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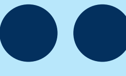
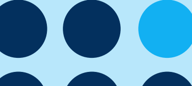
Highest compared with average (2:1, 2022)

Salary ratios[18]





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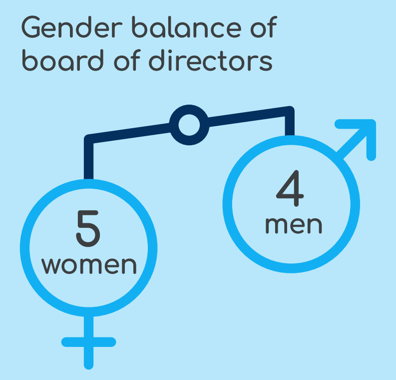
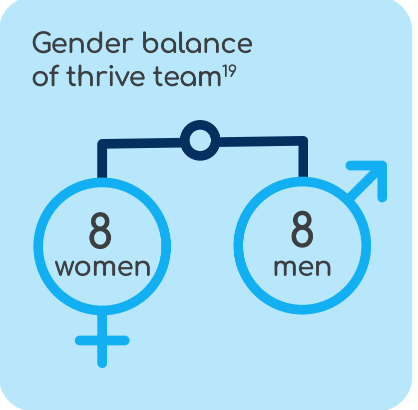
Highest compared with lowest (6:1, 2022)

Gender balance of board of directors



Gender balance of thrive team[19]



[18] FTE basis excluding apprenticeships

[19] As at 31st December 2023

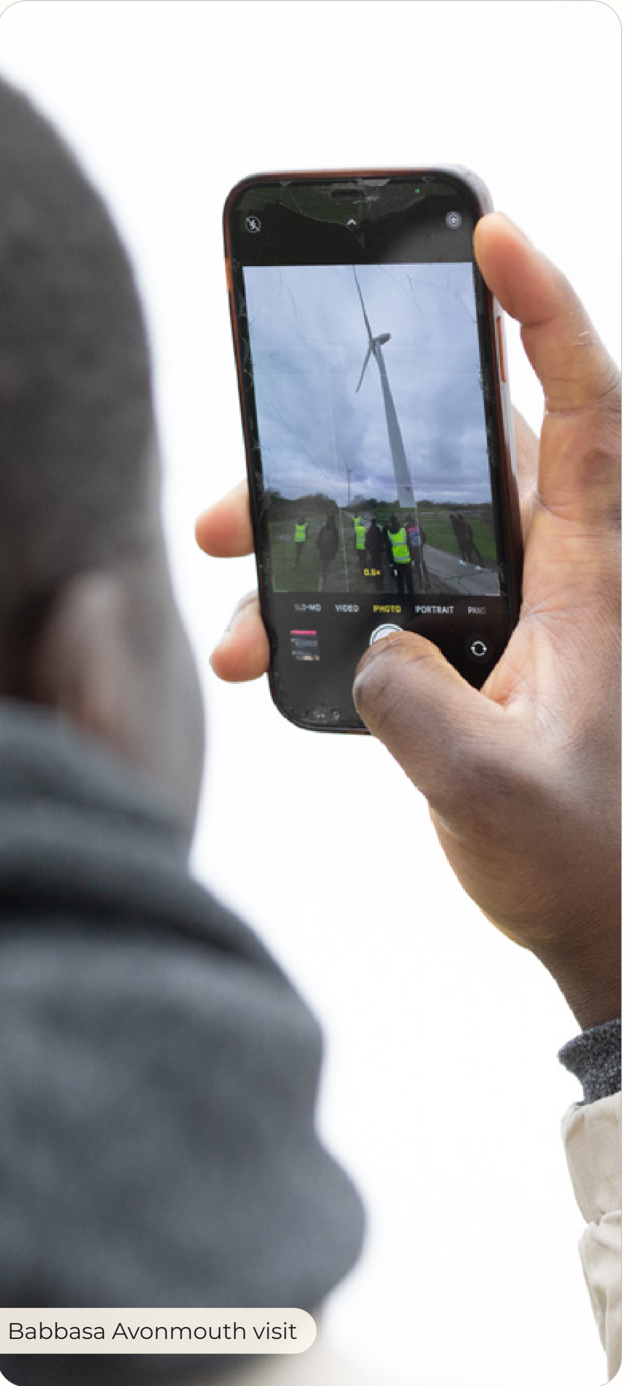
Inspiring Investors
486 investors, 132 of them new to the Thrive community, joined us in 2023 with a further 350 in January 2024. Thanks to them, an amazing £5.4 million was raised via crowdfunding, enabling us to build more new onshore wind, solar, and geothermal projects here in the UK. In order to make the opportunity to participate available to a wider range of people, the fundraise took place on two platforms, Triodos Crowdfunding and Crowdcube. It is particularly positive for us to see how many people were able to take a stake in clean energy despite the ongoing cost of living crisis, partly driven by volatile oil and gas prices.

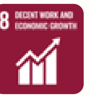
Martin retired as partner from a small investment firm last year and lives in Surrey. He recently bought shares in Thrive Renewables, encouraged by his daughter, Holly, who is an existing Thrive investor.

“The Thrive investment ticked a lot of boxes. It's an established business producing a very respectable income from the point of view of a shareholder. The diversified nature of the portfolio is attractive – including wind, solar and battery storage. I also like the fact that it promotes purpose, not just growth, and funds community energy so people can get projects off the ground in their local area. One can be sceptical about ESG investing and how real it is – most businesses cannot have the environment as their main cause. Thrive evidently does.

Thrive Renewables is our first major financial commitment into clean energy. My family loves the countryside and nature and we are very keen to support those helping to protect and sustain them, such as through regenerative farming. We are inspired by our adult children – the environment is important to them and that makes it important to us. We want to contribute to reducing pollution and preserving our planet's resources and intend to dedicate any income from this investment to charitable causes in environmental sustainability.”

Martin, Thrive shareholder


Babbasa Avonmouth visit



Governance

Health & Safety
There was one reportable Health & Safety incident in 2023, involving a technician who fractured a bone in his foot whilst leaving one of our wind farms having completed the work he was doing on the turbine. Thrive continues to be a member of SafetyOn and the Energy Storage Network, sharing good practice across the renewable generation and storage industries.

B Corporation™ Certification

We are proud to be one of around 2,000 UK B Corps, committed to environmental and social justice. Thrive delivered on our 2023 commitments to further improve performance on Environment, Community and Workers. We are pleased to have completed our recertification process, three years after our original certification, and have achieved a new score of 131.1, which places us in the top 3% of all UK B Corps.

What we planned	What we did	Relevant impact area
Finalise our updated responsible sourcing policy	Policy developed and approved	Community
Update employment policy to include how we manage intern engagement	Internship engagement policy developed and approved	Workers
Develop measurable diversity goals for the organisation	Diversity and inclusion goals decided on with external HR support, as part of ongoing work on Thrive's DEI strategy.	Community
Deliver diversity training to the team	The whole Thrive team attended Diversity, Inclusion, Cohesion and Equality (DICE) training with an expert external consultant.	Workers
Introduce annual staff wellbeing and feedback survey	Starting using a designated, anonymous online platform for team engagement survey, to be used on an ongoing basis	Workers
Implement an environment section into our Operations Management System	Environment section approved and implemented into revision of Operations Management System.	Environment
Develop our employee handbook to include and encourage good environmental stewardship in virtual offices	Provided team with information on environmental stewardship when working from home.	Environment
Implement biodiversity management plans for individual sites	Developed and implemented biodiversity management plan at Feeder Road battery storage site	Environment
Report on biodiversity strategy in our annual report	Outlined progress, and future goals in our above section on biodiversity.	Environment
Implement B Corp SDG reporting	Reported results from our SDG alignment, based on B Corp's SDG action manager platform.	All impact areas
Gain a picture of our Scope 3 carbon dioxide emissions and expand reporting in line with our plan	Completed our first year of comprehensive scope 3 emissions estimates across all relevant categories and published in Thrive's first climate report.	Environment
Better understand customer outcomes by proactively monitoring for feedback	This wasn't implemented this year so will be an objective for 2024.	Customers

Supply Chain

All businesses which source industrial equipment and electronics from the global supply chain face significant challenges with transparency, and human rights are a particular concern in emerging economies. Thrive is no exception to this, but our approach of transparency in our own operations and rigorous professional curiosity enables us to make decisions in line with our values.

The situation is changing rapidly in the solar and battery supply chain and there are currently no perfect solutions. We are honest about the challenges we face and do not take responses from those involved in the supply chain at face value. Importantly, we have and will turn down opportunities to invest in solar projects using panels that do not satisfy our ethical procurement criteria.

These are the actions that we have taken in 2023:

- Updated our ethical sourcing strategy and associated procurement policy based on the information we have gathered on the key risks in the solar and battery supply chains.
- Developed a dynamic list of preferred supply chains based on human rights practices in the sourcing and manufacturing of panels and associated electronics.
- Further to the independent third party analysis of the global solar supply chain we commissioned in 2022, we have initiated ongoing regular analysis of our own using supplier questionnaires and follow up meetings to ask specific questions that relate to our expectations and to obtain more granular information at the product level.
- Supported research into potential to produce UK sustainable lithium at United Downs – the UK's first geothermal electricity power plant – which we are invested in.
- Maintained our commitment not to source batteries containing cobalt, a rare earth mineral which has been linked to child labour, unless responsible sources can be verified.
- Continued to use our voice and position in the industry to encourage better practice and seek ways to move the dial for the industry in addition to procurement process.
- Participated in consultations on the Solar Stewardship Initiative's new ESG standard code via our membership of Solar Energy UK.

Annual General Meeting 2023

The Thrive Renewables Annual General Meeting 2023 was held on Friday 30th June at The Foundation on Deanery Road in Bristol. Those unable to attend in person were encouraged to join and vote virtually via an online platform. 46 shareholders attended in total, 29 of which were in person, with the remaining 17 joining us online. The meeting was chaired by Jo Butlin, Chair of the Board, and all resolutions were passed with a significant majority. A dividend of 12 per share was approved and subsequently paid on 10th July 2023.

The official business was followed by presentations from the management team, outlining our impact, highlights from the past year and business outlook. The Chair then delivered a presentation on the system changes needed for the UK energy transition as we work towards net zero. Following the close of the meeting, we were delighted to welcome shareholders attending in person to our Feeder Road battery. We were pleased to share the community history of the site and enable shareholders to see in person a few of the biodiversity measures already in place.

Thrive Renewables Bonds

Thrive issued a seven year bond offer in December 2016 which closed in March 2017. The £9.96m raised with an interest rate of 5% has been used to continue to grow and diversify the portfolio and provide funding bridges to get new renewable energy projects built. Projects that the bonds helped fund include:

- Construction of Drumduff wind farm in Scotland – situated on the site of a disused open cast coal mine
- Community Funding Bridge loan at Mean Moor wind farm in Cumbria - the first large scale wind farm to transfer from a commercial developer to 100% community ownership. It has since been fully repaid.
- Part-funded the construction and early operation of a 2MW hydro-electric project in Scotland.

The bond matured in March 2024 and was repaid. We plan to offer similar investment opportunities in the future.

Thrive Renewables Shares

A total of £5.4 million was raised during an equity fundraise which closed in January 2024 via the Triodos crowdfunding platform and Crowdcube. We were very pleased to welcome a total of 836 investors, 482 of them new, despite the ongoing cost of living crisis. This demonstrates significant confidence from existing as well as new investors in our track record, business strategy and approach to ethical business. We are pleased to report that in 2023 the business delivered the forecasts included in the offer document.

The number of Thrive shares in issue increased by 8.9% from 25,764,631 in December 2022 to 28,062,715 in December 2023, primarily due to the equity fundraise. In addition, 17.4% of total shares (2022 16.8%) have elected to Scrip dividends, where shareholders take the value of dividends in additional shares, rather than in cash. As a result, £0.54m of capital remains in the company and will be used to finance additional growth by investment in new renewables energy projects. Thrive's shares are not listed on an investment exchange. Instead they can be bought and sold in monthly share auctions.

Additionally, the directors may provide a share buyback option for shareholders who have been unsuccessful in selling their shares in the monthly auctions[20]. In 2023 12,400 shares were bought back from shareholders at a price of £2.115, 90% of the prevailing directors' valuation of £2.35. Therefore, £26,226 of the £400,000 buy back allowance was used in 2023. This, combined with the 1% average churn in shares, is a positive sign that shareholders and investors are able to exit and invest via the monthly auctions. The chart below illustrates the volume and price of Thrive shares traded in the monthly auctions over the last two years. The volume weighted price of shares for 2023 was £2.10 (2022 £2.14). Please be aware that past performance cannot be relied on as a guide to future performance.

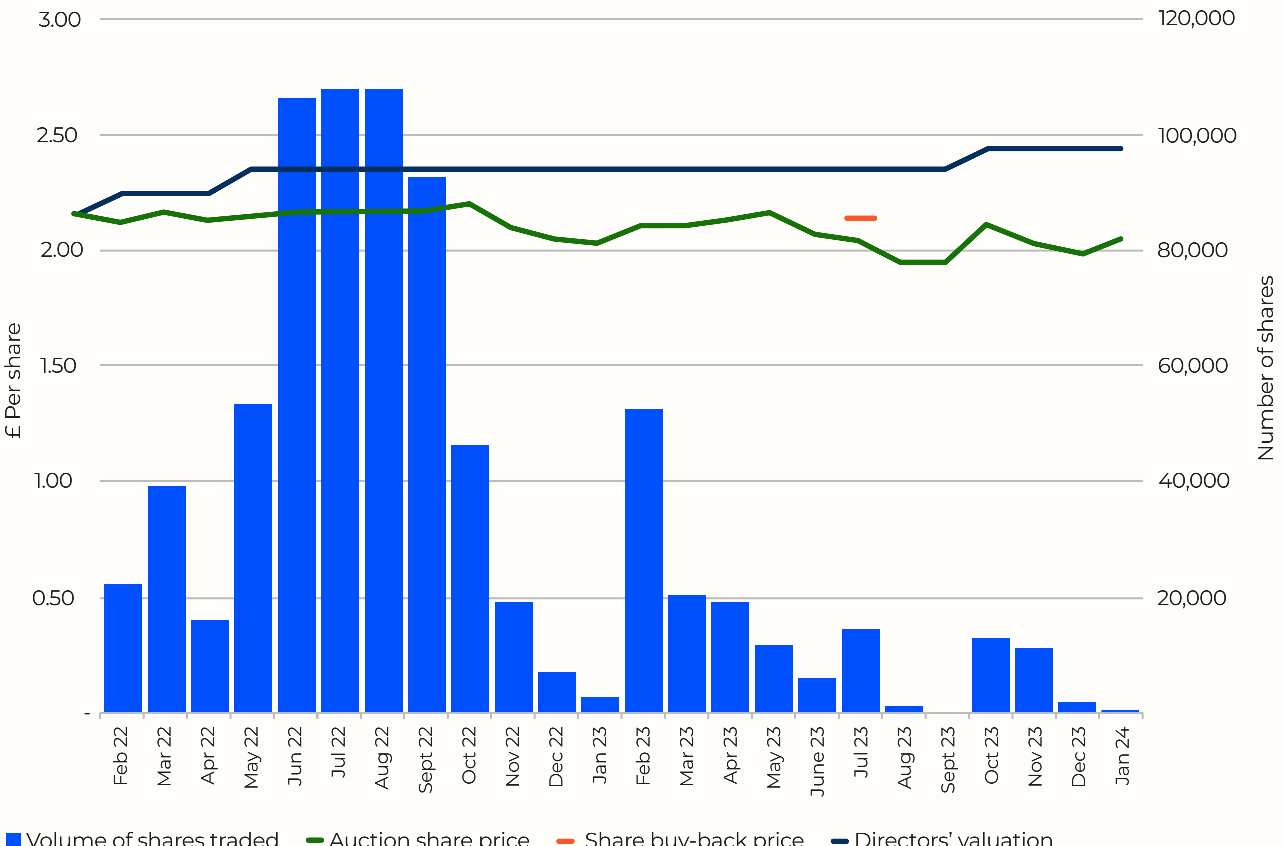
Recommended Dividend

The approved final dividend for 2022 of 12p per share was paid in July 2023.

For 2023, the directors recommend the payment of a 12p dividend in July 2024, which will be subject to approval by shareholders at the AGM on 28 June 2024.

Thrive Renewables plc - share trading

Past performance cannot be relied on as a guide to future performance.



Key performance indicators

We have developed key performance indicators (KPIs) to monitor and review our 'health and impact'. These cover the corporate, financial, operational and growth aspects of the business. The directors routinely monitor KPIs including those summarised in the table below.

KPIs	2023	2022	2021	2020
Turnover	£29m	£17.5m	£11.0m	£13.5m
Operating profit	£13.6m	£6.7m	£2.5m	£3.4m
Profit (after tax and minority interests)	£8.6m	£4.5m	£0.0m	£1.4m
Total investors	7,002	6,933[21]	5,976	6,082
Directors' valuation per share[22]	£2.35 until October 2023; £2.43 from October 2023	£2.15 until January 2022; £2.24 from January 2022; £2.35 from May 2022	£2.23 until March 2021; £2.15 until January 2022; £2.24 from January 2022	£2.28 until April 2020; £2.23 from April 2020[23]
Dividend paid	12p final	7p final	7p final	7p final
Reportable health and safety incidents	1	0	0	0
Average UK homes equivalent of electricity generated (Impact portfolio)	42,073	38,147	30,025	41,903
Scope 1 and 2 emissions	0 tCO_2e	0 tCO_2e	0 tCO_2e	2.13 tCO_2e
Scope 3 emissions (* indicates incomplete Scope 3)	Awaiting third party data	5,764.80 tCO_2e**	2.15 tCO_2e*	0.35 tCO_2e*

* Incomplete scope 3 figures for reporting years 2019-2021, which pre-date Thrive's full scope 3 accounting process.

** 2022 Annual Report included a preliminary figure of 53.04 for 2022 Scope 3 emissions but this is now the final figure including construction activities.

Analysis of Key Performance Indicators – non financial measures

Total investors – it is Thrive's mission to provide an opportunity for individuals to connect with clean energy projects, so the number of new investors is an important indicator of the health of the business. Building a community of investors is a key objective and we achieve this by having low minimum investment values and working hard to broaden brand awareness. The successful £5.4 million equity fundraise enabled us to welcome 482 new shareholders. We were pleased the fundraise attracted a higher number of existing investors, indicating their satisfaction with the company's performance.

Electricity generation and emission reductions delivered can be difficult to visualise, so we choose to characterise this in UK homes equivalent. The impact figures we report comprise the electricity generation of the projects we own adjusted for the proportion of ownership in the case of co-ownership, plus the generation of projects we have provided mezzanine debt finance to, as this funding would typically be equity. The year on year increase of 10% homes equivalent reflects an increase in impact generation of 2% combined with increased energy efficiency of the average UK home, which consumes less power per annum than the previous year.

[20] All applications under the Buy-Back Policy are subject to shareholder approval. This service is provided at the sole discretion of the Directors.

[21] Total number of investors in 2022 updated this year following improved deduplication of share holdings.

[22] https://www.thriverenewables.co.uk/for-investors/shareholders/directors-valuation/

[23] Directors valuation updated to £2.15 in March 2021 as a result of the future increase in corporation tax rate.

Finance

Financial review

The Group results are a statutory pre-tax profit of £12,545,104 for the year ended 31 December 2023 compared to £6,543,962 in 2022. The statutory results under IFRS include movements on the fair values of financial instruments (loss of £323,530 in 2023 and gain of £737,011 in 2022). Excluding the impact of the market-based financial instrument gains and losses, the underlying pre-tax profit in 2023 was £12,868,634 which has increased from £5,806,951 in 2022. This result was affected by a number of factors:

- Revenue has increased by £11,542,000 due to electricity price increases and inflation adjusted subsidy income.

- Cost of sales was £1,108,000 higher in 2023. The main contributing factors are an increase in depreciation from decommissioning provision now being depreciated of £483,000, the first year of Electricity Generators levy £131,000 and increased variable costs linked to revenue (e.g. electricity import costs, land rental and operational maintenance costs) of £494,000.

- In 2023, compensation for lost generation on availability warranties was £58,000 more than 2022. Income from fees and recharged personnel resources provided by the group is down £61,000.

- There has been an overall £1,329,000 increase in administrative cost in 2023. The increase is the result of £795,000 new project development costs, additional resources in the company and salary increases of £371,000, increased audit costs of £53,000, increased insurance as a result of increased revenue of £173,000, less a saving of £63,000 on rates costs.

- Finance costs have increased by £118,000 as a result of additional debt taken at the end of 2023.

- Finance income has increased by £601,000 as a result of additional mezzanine loans made. Share of associated profit has increased £841,000 as a result of gain in TR Fenpower but offset by an increase in impairment of Fenpower of £1,218,000 giving a net impact of £377,000 loss.

Tomorrow Net Zero event

- In the year the net loss on fair value assessment of investments is £2,146,000 higher as a result of an impairment on the Wicken project.

- Overall pre-tax profit excluding the movement in fair value of derivatives is £7,062,000 higher in 2023 as a result of these factors.

The trading results for the financial year and the group's position at the year-end are shown in the attached financial statements. A summary of turnover by operating site is as follows:

Turnover summary by operating site

Site	Date acquired	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000
Beochlich	1998	898	808	414	399	492	448	448	288	313	242	342
Haverigg II	1998	875	650	362	572	676	427	424	364	433	416	375
Ness Point	2005	178	526	389	251	545	530	509	224	561	605	440
Caton Moor	2006	10,783	5,803	2,600	3,682	3,645	4,039	3,468	2,861	3,439	3,604	3,571
Sigurd	2006	930	657	409	491	502	417	201	365	265	202	189
Wern Ddu**	2009	-	-	-	-	287	1,848	1,928	1,551	2,138	1,843	1,946
Kessingland**	2010	-	-	-	-	169	1,277	1,340	1,470	1,703	1,680	1,522
Dunfermline	2011	478	524	384	621	468	500	513	411	589	513	494
Eye	2012	2,692	1,772	1,339	1,585	1,388	1,275	1,355	1,258	1,446	1,599	1,034
Severn	2012	2,696	1,906	1,533	1,860	1,517	1,789	1,715	1,443	1,752	1,634	190
March	2013	1,342	658	504	743	639	551	637	661	747	95	-
Auchtygills	2007	581	438	296	200	315	312	281	268	144	-	-
Clayfords	2007	573	513	290	307	300	289	290	249	165	-	-
Boardinghouse	2014	6,685	2,889	2,466	2,755	2,895	2,821	2,453	2,122	1,457	-	-
Wicken	2021	253	289	-	-	-	-	-	-	-	-	-
Other	N/A	36	26	55	35	-	-	48	7	6	-	-
Total*		29,000	17,459	11,041	13,501	13,838	16,523	15,610	13,542	15,158	12,433	10,103

* Turnover only relates to subsidiaries of Thrive

** Turnover to the point of sale in February 2019

On 31 December 2023, the group held £34,668,000 of cash compared to £27,713,000 in 2022. This amount was high at the end of 2023 due to new bank lending and the capital raise which has been committed to new projects but not yet invested. Cash reserves are held in the business for working capital requirements and debt service reserves. The group's net debt at 31 December 2023 was £1,846,000 (2022: £8,266,000), a decrease of £6,420,000 over the previous year as a result of cash inflow from operations and capital raise. The ratio of net debt to net assets at 31 December 2023 was 3% compared to 15% in 2022 but this is expected to change in 2024 as new project investments are completed.

The results for 2023 show strong financial and operating performance and the directors consider that Thrive Renewables remains in a strong financial position to progress in the future.

Going concern

Thrive Renewables operates within the electricity industry, which is subject to both high-level regulation and long-term government support. The group owns operational capital assets and has the benefit of long-term contracted revenues with electricity companies. The directors consider that these factors provide confidence over future forecast income streams. In addition, the directors consider that Thrive and its subsidiaries have sufficient cash funds and finance facilities available for their ongoing operations.

After due consideration, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Principal and financial risk management objectives and policies

The group's activities expose it to a number of principal and financial risks including price risk, interest rate risk, credit risk, foreign exchange risk, operating risk and changes in government policy. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provides written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Health & Safety – principal risk

Our business relies on work by staff and contracted personnel in office and field-based activities where there are inherent risks to health and safety. The nature of the risks range from minor occurrences such as slips, trips and falls to potentially major events associated with high voltage electrical equipment and working at height. Thrive Renewables complies with all relevant legislation and works in accordance with an internal Health and Safety Policy which is reviewed regularly. We appoint contractors assessed to be competent to fulfil their scope, engage an independent Health and Safety Advisor and promote a safe working culture throughout our activities.

Global Risk – financial risk

The decline in stability across the globe, in particular the ongoing Ukraine, Israel/Gaza wars and unrest in affecting shipping in the Red Sea lead to an increase in risk for all UK businesses. This level of turbulence manifests itself across the businesses. The specific risks are listed below.

The directors will continue to monitor the impacts of the wars in Ukraine and Israel/Gaza, and their impact on the business. At this time we have seen no material negative impact of the war in Ukraine on the financial statements of the company for the year ended 31 December 2023 and do not expect a material negative impact on future results.

Price risk – financial risk

Thrive Renewables has a degree of exposure to the wholesale electricity market at all sites. To mitigate this risk, we negotiate power purchase agreements (PPAs) with a range of time horizons, indexation, price fixing mechanisms and 'floor' prices to protect our downside risk. See pages 22 to 23 for further detail on power price risk management.

Interest rate risk – financial risk

Thrive Renewables uses a mixture of debt and equity to finance growth in its portfolio of operating assets. The debt financing potentially exposes the business to interest rate fluctuations. The risk has been minimised by gearing each new project at a level to allow debt repayments to be met with sufficient headroom. In most cases , long-term loans are subject to fixed interest rates that eliminate exposure to interest rate increases. Where long-term loans are not at fixed interest rates, the group seeks to fix these through the use of interest rate swaps. At present 80% of debt is at fixed interest rates.

The Company also provides debt to fund the development and construction of renewable energy projects by third parties. The majority of this debt has a minimum interest rate, plus indexation to the Bank of England base rate.

Inflation – financial risk

Whilst falling, inflation remains above the target set by UK government. As our investments are capital intensive, benefit from long-term inflation linked revenue streams and the company has a low operational cost base (beyond the up-front capital intensive nature of the investments), the directors consider Thrive continues to be resilient with regards to inflation exposure.

Credit risk – financial risk

Customers

In the event of default by a customer, significant financial loss could arise. However, Thrive Renewables will normally only consider entering into power purchase agreements (PPA) for the sale of its electricity with utility companies or government-backed contracts. With private wire projects such as Dunfermline, March, Eye and the growing commercial solar rooftop portfolio, an industrial host is the primary recipient of production, and therefore the counterparty to the PPA. However, there are also power purchase arrangements in place with reputable utility companies to receive excess power and at the larger private wire sites, the entire volume in the case of default of the host. In 2023 the continued difficult economic conditions presented by the aftermath of the Covid-19 pandemic and the energy price crisis have significantly increased credit risk for all businesses. We have increased monitoring of our counterparties and undertaken payment trend analysis for early warning signs of any issues. In addition, we are invoicing on a more regular basis where we are contractually able to reduce our exposure. This mitigation proved effective in November 2021 when one of our PPA counterparties entered administration. The exposure in this instance was immaterial. We continue to monitor the financial standing of all our major counterparties.

Capital expenditure – financial risk

When negotiating with EPC contractors to build new sites, we ensure contractual structures allow us access to the underlying equipment suppliers to ensure we are

Feeder Road

not solely reliant on EPC providers. This strategy proved successful in 2022 when our battery EPC contractor became insolvent. We were able to deal directly with equipment suppliers and quickly appoint a replacement delivery contractor, so the situation was managed effectively. With the exception of delays on the energising of Feeder Road and resolution of operational issues at Wicken, the insolvency was cost neutral to Thrive. The EPC's failure has however compromised elements of performance warranty which were provided in the contractual engagements.

Operations and maintenance – financial risk
Thrive routinely enters into long-term operations and maintenance agreements (OMAs) with turbine manufacturers which provide performance monitoring, servicing, fault finding and repairs. These agreements often include an availability warranty which provides for compensation in the event that the equipment does not perform. Availability is calculated annually, with any claims made retrospectively. This time lag represents a credit exposure. Thrive purchases equipment and enters OMAs with the world's leading manufacturers and monitors their financial standing to mitigate this risk. As a result of the Senvion insolvency, we have increased credit analysis of our major suppliers and have systems in place to mitigate the risks around large availability claims. As the sector matures, additional options for both sourcing spare parts and the provision of fault finding and maintenance services have become established. Once the initial O&M relationship with the manufacturers expire, we evaluate the value of extending the relationship with the manufacturers or engaging independent contractors to perform operations and maintenance services.

Foreign exchange risk – financial risk
Thrive Renewables imports capital equipment for the construction of renewable energy projects direct from suppliers located abroad and is therefore exposed to risk from fluctuations in foreign currency exchange rates. Forward currency contracts are purchased to mitigate foreign currency exposures at the time of entering into any such contract or commitment.

Operating risk – financial risk
The generation of electricity involves mechanical and electronic processes which may fail under certain conditions, leading to loss of revenues and repair or replacement costs. Thrive Renewables uses proven technologies backed by warranty and service packages. Generally, warranties will guarantee a level of availability for between five and fifteen years and there will normally be a fixed price or index to production for the provision of operations and maintenance. We also maintain specialist insurance to seek to mitigate against any losses. As the renewables industry matures, the supply chain outside of major global players is evolving, providing us with more choice.

Cyber security risk – principal and financial risk
Information Technology (IT) systems may be subjected to a targeted attack by cyber criminals either to disrupt services or hold a business to ransom. Thrive Renewables uses systems which are compliant with good practice protection against such attacks and engages service providers who align with this approach. Ongoing participation in training and industry awareness events keeps us abreast of how risks in this field are evolving with the advancement of technology.

Cash and liquidity risk – principal and financial risk
Cash and liquidity risk describes the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The group has cash resources available to it and prepares, in the operating entities of the group, forecasts for the forthcoming year which indicate that in the directors' opinion it will have sufficient resources to fund the continuation of trade.

The group monitors cash flow forecasts on a 'rolling forecast' basis to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its undrawn committed borrowing facilities at all times so as not to breach borrowing limits or covenants.

Typically, the group ensures that it has sufficient working capital to meet foreseeable operational expenses. At the year end the group had available facilities of £34m (2022: £28m).

Elevated interest rates represent a risk to growth in the form of new capital and debt to fund new projects. However, over the course of 2022 and 2023 we have raised £12m in new equity. Debt is still available to the sector at reasonable rates as the future outlook of rates is lower than current rates.

Government policy – principal and financial risk
The renewable energy industry receives government incentives to encourage the generation of renewable energy. While there have been numerous changes both reducing and removing financial support and incentives for which new projects are eligible, the schemes for which existing projects have qualified have not been modified. This allows each project to benefit from the original support for a predetermined term. No main political party has proposed any retrospective change.

The government commenced a Review of Energy Market Arrangements (REMA) process in 2022. This is a long term project, recognising that a low carbon energy system requires different commercial and regulatory frameworks to those which were developed in the context of a largely centralised fossil fuel based system. There is recognition that change is required to both accelerate the transition and minimise the cost of delivering a low carbon energy system by 2030, and this is encouraging. The process has, and will continue to, involve multiple consultation processes. Whilst REMA introduces long term uncertainty, the directors consider that the review's purpose to deliver a low carbon system will ultimately be positive for Thrive's long term prospects. Thrive continues to contribute to and track the process.

Supply Chain risk – principal and financial risk
Thrive relies on global supply chains for building new infrastructure and also for the replacement of components during the operation of our renewable energy projects. Events over the last 36 months, including a decline in supply chain security caused by the wars in Ukraine and Israel/Gaza, have evidenced the impact of disruption and the increasing costs caused by delay and commodity inflation. Thrive mitigates this risk by working with competent contractors often with contracted performance levels which incentivise delivery on schedule and to a fixed cost. Additionally, Thrive operates a variety of technologies from a range of suppliers, which at a portfolio level reduces dependency on any one supplier or component. We have also increased the level of monitoring of supply chains in light of the challenges currently faced.

Climate risk – principal and financial risk
In line with good governance, Thrive continues to consider 'climate risks' in the context of the business, both in terms of the physical and transitional risks.

In the context of transitional risk, as a mission driven business which has been established to contribute to addressing climate change by making investments into, and operating projects which clean up the UK's energy system, addressing climate is very much part of our DNA. With growing understanding and consciousness of the risk posed by climate change, we anticipate growing interest in investment into assets with lower GHG emissions, such as clean energy. We consider the divestment movement from fossil fuel based investments to carbon neutral solutions to be an opportunity as GHG emission reductions are a critical component of our investment criteria.

As a renewable energy generator, we are exposed to the weather. When we make an investment, we project future natural resource availability using in situ monitoring, combined with historic data. Individual investment valuation time horizons project forwards the full expected operational life (depending on the technology and contractual framework). We deploy proven technology, designed and constructed to withstand extreme weather and maintain productivity in a wide range of conditions. As the weather becomes more extreme, installing the best available technology and diversification in the portfolio (both location and technology) will be increasingly important. This forms part of Thrive's investment strategy.

As the energy sector transitions away from fossil fuels to a renewables based system, the basis for pricing energy is also changing. We engage market leading expertise to provide scenario analysis of how the electricity system and energy mix will change and the consequences this will have on energy prices. Thrive uses this analysis to inform commercial decision-making, long-term investment choices, portfolio valuation and strategy.

Thrive has reported on the emission reductions generated by the Group since its establishment 28 years ago. In addition to this we are improving the way we measure and report on the carbon footprint of our operations with a view to achieving carbon neutrality in all areas of the business. Focusing on generating renewable energy is a good start, with wind turbines and the associated fabrication and construction in the UK having a carbon payback period of 6-12 months. We are committed to achieving net zero by 2030 and have published our climate report. We have been reporting our Scope 1 and 2 emissions since 2020 and are now reporting on all Scope 3 emissions categories that are relevant to the business.

Avonmouth

Payment policy

It is group policy to comply with the terms of payment agreed with each supplier rather than to follow a particular code or standard. Where terms are not negotiated, we endeavour to adhere to the supplier's standard terms. Trade creditors relate mainly to fixed assets purchased in the year, so no meaningful 'creditor's days' calculation is possible.

Section 172(1) Statement

The s172 duty requires directors to run the company for the benefit of its stakeholders as a whole. In doing so the board should take into account the long-term impact of any decision on all stakeholders, consider the external impact of all activities and maintain a reputation for high standards of business conduct.

Thrive's mission is to put money to work building new sustainable energy projects and empower people to take action to address the climate emergency. For 29 years, environmental and social responsibility have been at the core of our purpose and operations. We provide disclosure relevant to the requirements of Section 172(1) a)-f) throughout this report. The table below navigates where further context for Thrive's responsible approach to business and wider stakeholder considerations can be found. The board holds quarterly meetings, at which the executive present operational performance, progress against key objectives, risks and controls, investment opportunities and alignment with strategy. The strategy and objectives of the company are reviewed and where appropriate revisited annually. The development and agreement of the strategy and objectives of the company incorporate the long-term interests of wider stakeholders - including the members, suppliers and customers, employees and host communities - and the environment, with the intention of delivering positive impact.

In addition to the quarterly meetings, the board maintain four committees: operations and HSE, audit, remuneration and nominations. The committee structure provides the opportunity for more detailed insight and direction to be shared between the directors and the executive. The details of the committees are set out in the Corporate Governance section (page 47) of the report.

Section 172(1) reporting requirement	Evidence
(a) the likely consequences of any decision in the long-term	Thrive's long-term approach is evidenced by both our track record and investment portfolio (see map/operations). Additionally, our investment criteria and approval process aim to identify and secure investment opportunities which deliver long-term financial, environmental and social returns both aligned with our mission and values and achieving an appropriate balance between risk and return for investors. The Key Performance Indicators are detailed on page 37.
(b) the interests of the Company's employees	Both the operations section on pages 21-23 and corporate governance summary on pages 47-49 present the objectives and recent review and development of our employee benefits. Pages 50-53 provide background on the skills, experience and roles of Thrive's board and executive team.
(c) the need to foster the Company's business relationships with suppliers, customers and others	Thrive engages with a wide variety of suppliers, contractors and customers across the construction and physical operations of the project portfolio, investor and commercial activities, including power sales, land leases and banking. The majority of these relationship are long-term (5 to 25 years) in nature. Our procurement process not only considers competence, capability, cost, terms, and review of performance, but also where possible we aim to work with parties with aligned values.
(d) the impact of the Company's operations on the community and the environment	Positive environmental impact is at the heart of Thrive's mission and values. We routinely report on the volumes of renewable electricity generated and the resultant avoided GHG emissions. Positive social impact via our investor community, community energy funding bridge, community benefit programme, open days and educational activities are described throughout the Directors' report. In 2022 we developed a Biodiversity Policy with a view to enhancing biodiversity at our operational sites. Pages 24-35 summarise Thrive's environmental and social impact.
(e) the desirability of the Company maintaining a reputation for high standards of business conduct	Our reputation and integrity are fundamental to long-term relationships with all stakeholders. For over 29 years, Thrive has offered individuals the opportunity to make direct investment into renewable energy projects, with a view to cleaning up the UK's energy system and ultimately addressing climate change. Trust is key and we earn that trust via rigorous governance, high standards of business conduct and transparency. Further details can be found in the Corporate Governance section of this report
(f) the need to act fairly as between members of the Company	Thrive unites a community of over 6,000 shareholders who have invested between five and several million pounds. We provide transparent communications to all investors large and small via the Annual Report, Half Year update, company website and newsletters. These provide all members and wider stakeholders with information about the Company's performance, impact and material developments. A number of board directors and the executive team own shares in the Company (see page 46). Thrive operates a dealing code to mitigate the risk of the board and executive who may benefit from insider information from using this to the disadvantage of other shareholders.

Approved by the Board of Directors
and signed by order of the Board

Katrina Cross
Secretary

The directors present their annual report on the affairs of the group.

Together with the audited consolidated financial statements and auditors' report, for the year ended 31 December 2023.

Details of significant events since the balance sheet date are contained in note 38 to the financial statements. An indication of likely future developments in the business of the company and details of research and development activities are included in the strategic report.

Information about the use of financial instruments by the company and its subsidiaries is given in note 29 to the financial statements.

Directors

The current directors of the company are shown on page one. All directors served throughout the financial year.

The directors and their interests in the ordinary shares of the company at the beginning of the financial year and the end of the financial year were:

50p ordinary shares fully paid

Director	2023	2022
Jo Butlin	2,400	2,400
Matthew Clayton	2,480	1,979
Katrina Cross	210	200
Katie Gordon	-	-
Charles Middleton	-	-
Colin Morgan	34,060	34,060
Tania Songini	-	-
Peter Weston	2,631	2,631
Monika Paplaczyk	1,823	1,280

Capital management

The group's objectives when managing capital are to:

- Safeguard the ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt or invest in new projects.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

Net debt (as per note 29)
divided by
Total equity (as shown on the balance sheet, including non-controlling interests)

During 2023, the group's strategy, which remains unchanged from 2022, was to maintain a gearing ratio within 80% to 100%. The gearing ratios at 31 December 2023 and 2022 were as follows:

£'s	2023	2022
Net debt	1,846,062	8,265,551
Total Equity	66,607,857	55,395,797
Net debt equity ratio	3%	15%

The gearing ratio at 31 December 2023 of 3% (2022 15%) was lower than the target range due to large cash balance held at year end from debt and capital raised for investment in new projects that has been committed but not yet spent.

Loan covenants
Under the terms of the Thrive bond due for repayment in early 2024, the group is required to comply with the following financial covenants:

- The ratio of debt / debt plus net assets must be not more than 70%.

The group has complied with this covenant throughout the reporting period. As at 31 December 2023, the ratio of debt / debt plus net assets was 35% (2022 39%).

Dividends

The recommended dividend for 2022 of 12p per share was paid in July 2023. The directors recommend a final dividend of 12p per share for payment in 2024 reflecting the strong operational performance in the year and the robust reserves position of the company.

We remain committed to paying annual dividends from the profits of the business (subject to maintaining appropriate financial reserves) and seeking further investment through share and bond issues to fund the group's growth. However, additional profits generated from higher electricity prices in 2022 and 2023 are being reinvested in the company to build more renewable energy projects and deliver higher future impact.

Principal and financial risk management

Principal and financial risk management is disclosed on pages 40 to 42 in the strategic report.

Corporate Governance

In 2016, Thrive decided to adopt the Quoted Companies Alliance Code (QCA Code). The code sets out governance guidance and best practice appropriate for companies of the scale of Thrive Renewables. While Thrive Renewables is not listed on any stock exchange, the QCA Code is largely relevant. The company's website **www.thriverenewables.co.uk** hosts a range of information in accordance with the QCA Code. We continue to incorporate the additional information into the Annual Report and Financial Statements.

We are in the process of reviewing the requirements of the 2023 QCA Code, and are actively working towards early adoption of the updated Code Principles which apply in respect of accounting periods commencing on or after 1 April 2024, so that our Annual Report for the current financial period which commenced on 1 January 2024 will include any appropriate additional disclosures.

The table below summarises the responsibilities and membership of the four board committees.

Committee	Key Responsibility	Chair	Member
Audit	Oversight of the governance, financial reporting, risk management and internal controls, external audit.	Tania Songini	Charles Middleton
Nominations	Oversight of the performance and appropriateness of the board resources and recruitment of board members	Jo Butlin	Katie Gordon Matthew Clayton Charles Middleton
Remuneration	Oversight of the appropriateness of the remuneration, incentivisation and retention of board and senior executives	Charles Middleton	Colin Morgan Katie Gordon
Operations, Health, Safety and Environment	Oversight of the HS&E and the operations of the company	Peter Weston	Colin Morgan

Board committee reports

Each board committee's report for 2023 is presented above. The terms of reference of the board committees, and the wider governance structure is available on our website. The chair of each committee reports to the board on the committee's work and the board receives minutes of all committee meetings.

Audit Committee

The Role of the Audit Committee

The board's obligation to establish formal and transparent arrangements for considering how it should apply financial reporting and internal control principles, and for maintaining an appropriate relationship with the company's external auditors, PricewaterhouseCoopers LLP, is met through the Audit Committee.

The Audit Committee is chaired by Tania Songini and comprises one other independent non-executive director – Charles Middleton. Both committee members are considered to have recent and relevant financial experience. The Audit Committee met three times during 2023, with both members being present throughout each meeting, including immediately before the company's full year results were published. It follows an agreed annual work program comprising both regular items and areas considered to require particular focus.

The Managing Director and Finance Director attend the meetings and the external auditors participate once a year. The Audit Committee chair or the Committee meet with the auditors without management present from time to time.

The specific items considered by the Audit Committee in 2023 included:

- Consideration of the half-yearly and interim management statements and preliminary full year results and the annual report and financial statements;
- Consideration of proposed budget for 2024;
- Consideration of compliance with accounting standards, appropriate accounting policies and practices, accounting and reporting issues and going concern assumptions;
- Consideration and continued enhancement of the Company's risk register, including particular focus on emerging risks associated with cyber crime;
- Review and consideration of the effectiveness of internal financial and wider business controls and findings of related assurance work;
- Consideration of PricewaterhouseCoopers LLP's in-depth reports to the Committee on the scope and outcome of the annual audit and management's response;
- Review and pre-approval of services provided by the auditors during the year, including all non-audit work performed by the auditors to ensure that the objectivity and independence of the auditors was not compromised – PricewaterhouseCoopers LLP only provided advisory work in respect of tax related matters;
- Recommending the re-appointment of PricewaterhouseCoopers LLP as the group's auditors for 2024, and to undertake an open tender for the Audit and tax services for the period commencing 1 January 2024;
- Confirmation that no concerns were raised with the Committee about possible improprieties in matters of financial reporting or other matters;
- Reviewing the Committee's terms of reference to ensure they reflect developments in corporate governance in the UK.

The Committee reviewed its activities in 2023 against its terms of reference and concluded that it had discharged the responsibilities delegated to it under those terms of reference. It has satisfied itself that the company's business, and that of its subsidiaries, is being conducted in a proper and economically sound manner.

Tania Songini
Chair of the Audit Committee

Nominations Committee

The Nominations Committee formally met twice in 2023 with all members present throughout each meeting.

As part of the company's Articles of Association, all board members must stand for re-election every three years. The Nominations Committee considered that Charles Middleton and Katrina Cross continue to have relevant skills and experience and make positive contributions. Therefore, their re-appointment was proposed at the company's AGM in June 2023. Both Directors were reappointed.

The Nominations Committee focused on succession planning in 2023. The Committee reviewed existing Non Executive Board tenure and agreed a phased transition to a maximum of three three year terms (i.e. 9 years), in order to align with best practice and ensure ongoing independence of Non Executive Directors. Following notice from Colin Morgan that he intends to retire from the Board in June 2024, the Committee reviewed the skills and experience

of the Board and identified two new NED roles for recruitment. The recruitment process was commenced early in 2024 with a view to appointing the new NEDs by the summer.

Following a review of the Nominations Committee terms of reference in October 2023, the Committee concluded that it they had satisfactorily discharged its responsibilities.

Joanna Butlin
Chair of the Nominations Committee.

Remuneration Committee
The Remuneration Committee met three times in 2023, with a number of follow up discussions being held. All members were present throughout all meetings, and Matthew Clayton was in attendance for one meeting.

In response to the increasingly competitive recruitment market, the impact of the high levels of inflation and the ongoing commitment to provide fair pay for a professionally managed values-based business the Remuneration Committee reviewed the executive remuneration structure and commissioned a benchmarking report in 2023.

An advisor was engaged to benchmark all executive roles against other companies in the sustainable energy sector in the UK, The Remuneration Committee considered the outcome of the benchmarking exercise in the context of Thrive and its values.

Whilst the underlying structure of the executive packages remain consistent, a number of base salaries have been adjusted in line with the data from the benchmarking report and other reference points such as recruitment.

The benchmarking demonstrated that both material bonuses and long term incentive plans were common for senior executive roles. Whilst share related long term incentive plans are challenging to implement in the context of Thrive, the opportunity for the whole team to be awarded up to 20% of their salary as a bonus has been introduced. Any bonus will be determined by both individual and company performance while there will be a strong emphasis on team working and contribution to the whole. The size of the bonus available will be determined annually reflecting the performance of the company and is therefore aligned with shareholder interests.

The basis of the executive remuneration package remains consistent throughout the company. The package comprises a basic salary, a bonus awarded annually in the case of exceptional individual and company performance, company pension scheme contributions, plus inclusion in the company's death in service and long-term sickness insurance scheme. In 2019 further benefits were introduced including additional days leave linked to length of service, an option to buy additional leave, a sustainable holiday travel incentive and a private medical insurance scheme.

The recruitment process for the new non-executive Board Director in 2022 provided an opportunity to benchmark the Non-Executive fees. The benchmarking results were implemented in July 2022, with NED fees adjusted in line with 6 months of inflation (CPIH) from Jan 2023.

The salary ratios for the executive team are presented in the table top right. The Apprentice remuneration is excluded from these calculations (in line with reporting norms.)

	2023	2022
Ratio of the highest salary compared with the lowest salary	7X	6X
Ratio of the highest salary compared with the average mean) salary	2X	2X

In October 2023, the Remuneration Committee reviewed the committee's terms of reference and were satisfied that they had discharged their responsibilities delegated under them.

Charles Middleton
Chair of the Remuneration Committee

Operations, Health, Safety and Environment (OHSE) Committee
The OHSE Committee is responsible for overseeing matters in the company related to health, safety, operations, and the environment, particularly regarding our operational energy assets and those in construction. The Committee is not formally required under the QCA Code, but the Board of Directors considers that the Committee's oversight role is important due to the company's operation of physical energy assets.

The Committee met four times during 2023 to agree the company's health, safety and operational targets and to monitor progress against them. All members

were present at all four meetings, and they were joined by Adrian Warman (Head of Operations), Monika Paplaczyk (Investment Director), and Matthew Clayton.

The Committee supported the executive in a number of strategic areas including improving operational performance, ongoing review of HS&E practices, supply chains, the ongoing life extension of certain older projects and co-location works. Additionally there has been a particular focus on developing and implementing a long-term plan for Ness Point and oversight of the operational issues experienced as a result of the insolvency of G2 which was providing O&M services the at Wicken BESS project, and EPC services at the Feeder Road BESS project.

In October 2023, the OHSE Committee reviewed the Committee's terms of reference and were satisfied that they had discharged the responsibilities delegated under them.

Peter Weston
Chair of the OHSE Committee

Board of directors

Jo Butlin
Chair

Joined Board: May 2022

Jo Butlin joined Thrive as Non-Executive Director in May 2022 and took on the role of Chair of the Board in June. Jo, a qualified Chartered Accountant, has worked in the Energy sector for most of her career. She now holds a number of Non Executive roles. She is Chair of Ofgem's Electricity System Operator (ESO) Performance Panel, Chair of the Board at The Energy Consortium (TEC), a Non-Executive Director of both Kensa Group Ltd and REGEN Ltd.

Jo is also a founder member and Director of the Women's Utilities Network (WUN), a not-for-profit organisation which supports women in developing their careers in the utilities sector.

Charles Middleton
Senior Independent Director

Joined Board: July 2016

Board Committee membership: Chair of Remuneration Committee, Member of Audit Committee

Charles has spent much of his career in banking including 14 years as Managing Director of Triodos Bank in the UK. He is currently on the boards of Palladium Impact Capital and Bamboo Capital Partners, part of the Palladium Group, an international development organisation. Over the last ten years he has practised as a psychotherapist and coach working with individuals and teams.

Matthew Clayton
Managing Director

Joined Board: December 2010

Board Committee membership: Member of the Nominations Committee.

Matthew has worked in the Thrive Renewables team since 2006 and undertakes the overall full-time management of Thrive Renewables plc. In this time Matthew has contributed to 27-fold growth in the Company. Prior to joining Triodos Bank, Matthew was part of a small team which established Camco International, one of the world's leading carbon trading companies, focusing on supporting sustainable energy projects via the Kyoto framework.

Katrina Cross

Finance Director and Company Secretary

Joined Board: February 2016

Katrina has been working for Thrive Renewables since 2012, first as Head of Finance and Operations and then as Finance Director and Company Secretary. Katrina is a qualified accountant and previously spent seven years with Watts Gregory as Head of Audit and another seven years as Finance Director of an environmental company that remediated contaminated land.

Monika Paplaczyk

Investment Director

Joined Board: Jan 2021

Monika joined the team in 2007 whilst the company was managed by Triodos Bank. In her role as Investment Director, Monika leads the investment team in the originating, development, acquisition and construction of sustainable energy assets, as well as managing the commercial aspects of the portfolio. Monika was a member of the advisory group for Innovate UK's 'Prospering from The Energy Revolution' challenge, which invested up to £102.5 million in industry and research to accelerate innovation in smart local energy systems.

Tania Songini

Non-Executive Director

Joined Board: October 2015

Committee membership:
Chair of Audit Committee

Tania joined the Board as Chair of the Audit Committee in 2015. She has built a portfolio of non-executive director roles in the renewable energy and sustainable infrastructure sector, including companies such as – the Energy Systems Catapult, Guernsey Electricity and the UK Infrastructure Bank. Tania worked for leading global engineering and technology services company Siemens until 2015, where she held a number of finance and commercial director roles, including for Siemens' energy business. Tania is the Chair of ViaNinos UK, a charity supporting street children in Ecuador.

Peter Weston

Non-Executive Director

Joined Board: March 2011

Committee membership:
Chair of Operations, Health, Safety & Environment Committee

Peter is Managing Director at Energy 4 Impact, a non-profit organisation which supports vulnerable communities and small businesses in sustainable and off-grid energy in Sub Saharan Africa. Peter is an expert in renewable energy, with more than 28 years' experience as an investor, lender and strategic adviser in the sector. He is a former board member of Renewable World and visiting lecturer at ESCP Business School and has previously held senior management positions at Siemens Wind Power and GE Energy Financial Services.

Katie Gordon

Non-Executive Director

Joined Board: June 2013

Committee membership:
Member of Nominations Committee, Member of the Remuneration Committee

Katie is an expert in socially responsible investment (SRI) and corporate marketing.
She was Head of SRI at Cazenove Capital Management and later Director of Responsible Investment and Stewardship at CCLA. Katie has acted as a trustee of Durrell Wildlife Conservation Trust and board director of UK Sustainable Investment Forum (UKSIF).
She is currently a NED of Microbz, senior adviser to the Access to Nutrition Initiative (ATNI), and a member of the Expert Advisory Group for Snowball IM and the Food Foundation. Katie is the independent member of the investment committee for Access Endowment.

Colin Morgan

Non-Executive Director

Joined Board: May 2013

Committee membership:
Member of Operations, Health, Safety & Environment Committee, Member of the Remuneration Committee

Colin is a Chartered Engineer who has worked in the renewable energy industry since 1987. He also works as a partner in Everoze, one of the clean energy industry's leading technical and commercial consultancy firms, which he co-founded. In his career Colin has worked in wide-ranging management and technical roles spanning offshore wind energy, onshore wind energy, solar energy and battery storage.

Executive management team

Matthew Clayton
Managing Director

See above in the Board section

Katrina Cross
Finance Director and Company Secretary

See above in the Board section

Monika Paplaczyk
Investment Director

See above in the Board section

Adrian Warman
Head of Operations

Adrian joined Thrive Renewables in 2012 in response to the company's growing portfolio of sustainable energy projects. The Head of Operations role is to ensure contracts are in place and fulfilled to allow assets to run safely and most productively over the long-term, in line with legislation and industry standards. Previously, Adrian spent seven years at a senior level with a leading carbon reduction company focused on identifying and implementing appropriate energy saving measures in the built environment.

Louise Daniels
Head of External Affairs

Louise joined Thrive in September 2018 and is responsible for managing communication with all stakeholders, as well as measuring and reporting the company's impact. Her career in marketing and communications spans more than 30 years, initially in PR consultancy and latterly in house for ethical business and social enterprises. Renewable energy is one of her passions and she has previously managed PR for electricity suppliers and generators. In her spare time, she is a Board member for Bath & West Community Energy.

Directors' Report
for the year ended 31 December 2023

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law, 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 group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, will not be re-appointed. An audit tender process has been completed and a resolution to appoint Ernst and Young Chartered Accountants will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed by order of the board:

Katrina Cross
Secretary
Date: 7 May 2024

Independent auditors' report
to the Members of Thrive Renewables plc

Opinion

In our opinion:

- Thrive Renewables plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated Statement of Financial Position and the Company Statement of Financial Position as at 31 December 2023; the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulation of the renewable energy industry in the UK, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK corporation tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to manipulate financial performance and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journal entries that have unusual account combinations;

- Testing management bias in estimates through review of underlying data and assumptions used to calculate these; and
- Obtain third party confirmations of all banking and financing arrangements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
7 May 2024

Financial Statements
For the year ended
31 December 2023

Consolidated Profit and Loss Account

For the year ended 31 December 2023

	Note	2023 £	2022 £
Continuing Operations			
Revenue	5	29,000,571	17,458,857
Cost of sales		(8,270,164)	(7,162,400)
Gross Profit		20,730,407	10,296,457
Administrative expenses		(5,095,264)	(3,766,015)
Net impairment losses on financial assets		(2,272,000)	–
Other operating income	6	191,288	194,341
Other gains		50,966	–
Other losses		–	(74,572)
Operating Profit		13,605,397	6,650,211
Finance costs	9	(1,654,231)	(1,536,627)
Finance income	9	1,327,320	726,630
Movement in fair value of derivative financial instruments	19	(323,530)	737,011
Share of profit of associates and joint ventures	7	904,768	63,159
Impairment in value of investments in associates and joint ventures	7	(1,314,620)	(96,422)
Profit before income tax	10	12,545,104	6,543,962
Income tax	11	(3,034,628)	(1,658,611)
Profit for the year		9,510,476	4,885,351
Profit attributable to:			
Owners of the parent		8,628,179	4,521,699
Non-controlling interests		882,297	363,652
		9,510,476	4,885,351

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	2023 £	2022 £
Profit for the year	9,510,476	4,885,351
Other comprehensive income	–	–
Total comprehensive income for the year	9,510,476	4,885,351
Total comprehensive income attributable to:		
Owners of the parent	8,628,179	4,521,699
Non-controlling interests	882,297	363,652
	9,510,476	4,885,351

Consolidated Statement of Financial Position

For the year ended 31 December 2023

	Note	2023 £	2022 £
Assets			
Non-current assets			
Goodwill	14	3,072,380	3,072,380
Owned			
Intangible assets	15	6,162,111	7,261,523
Property, plant and equipment	16	43,880,157	46,419,443
Right of use assets	16, 28	2,344,919	2,218,448
Investment in associates and joint ventures	17	8,947,824	3,321,170
Financial assets at fair value through profit and loss	21	25	25
Financial assets at amortised cost	18	16,985,035	8,638,190
Derivative financial instruments	19	653,677	977,206
Deferred tax	31	1,674,807	1,561,151
		83,720,935	73,469,536
Current assets			
Trade and other receivables	20	8,818,108	5,789,163
Financial assets at fair value through profit and loss	21	1,582,356	3,426,260
Cash and cash equivalents	22	34,668,248	27,713,014
		45,068,712	36,928,437
Total assets		128,789,647	110,397,973
Equity			
Shareholders' equity			
Called up share capital	24	14,031,358	12,882,316
Share premium	25	34,923,577	30,706,711
Capital redemption reserve	25	151,402	151,402
Retained earnings	25	15,665,573	10,129,150
		64,771,910	53,869,579
Non-controlling interests	23	1,835,947	1,526,218
Total equity		66,607,857	55,395,797

Consolidated Statement of Financial Position - continued

For the year ended 31 December 2023

	Note	2023 £	2022 £
Liabilities			
Non-current liabilities			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	27	18,286,665	29,105,304
Leasing liabilities	28	2,309,143	2,186,271
Deferred tax liabilities	31	6,570,885	7,207,034
Provisions	30	5,259,843	3,953,058
		32,426,536	42,451,667
Current liabilities			
Trade and other payables	26	8,605,942	4,078,308
Financial liabilities - borrowings			
Interest bearing loans and borrowings	27	18,227,645	6,873,261
Leasing liabilities	28	175,970	156,218
Tax payable		2,432,677	1,442,722
Provisions	30	313,020	–
		29,755,254	12,550,509
Total liabilities		62,181,790	55,002,176
Total equity and liabilities		128,789,647	110,397,973

The financial statements on pages 59 to 110 of Thrive Renewables plc, registered no 02978651, were approved by the Board of Directors and authorised for issue on 7 May 2024 and were signed on its behalf by:

Matthew Clayton
Director

Company Statement of Financial Position

For the year ended 31 December 2023

	Note	2023 £	2022 £
Assets			
Non-current assets			
Right of use assets	16, 28	59,062	–
Financial asset at fair value through profit and loss	21	25	25
Investment in subsidiaries, associates and joint ventures	17	24,156,039	18,890,952
Financial assets at amortised cost	18	16,543,635	8,202,788
Deferred tax	31	128,496	293,399
		40,887,257	27,387,164
Current assets			
Trade and other receivables	20	22,906,662	26,050,763
Tax receivable		–	1,239
Financial assets at fair value through profit and loss	21	1,582,356	3,426,260
Cash and cash equivalents	22	24,011,825	22,625,661
		48,500,843	52,103,923
Total assets		89,388,100	79,491,087
Equity			
Shareholders' equity			
Called up share capital	24	14,031,358	12,882,316
Share premium	25	34,923,575	30,706,711
Capital redemption reserve	25	151,402	151,402
Retained earnings	25	13,940,725	17,055,807
Total equity		63,047,060	60,796,236

Company Statement of Financial Position - continued

For the year ended 31 December 2023

	Note	2023 £	2022 £
Liabilities			
Non-current liabilities			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	27	–	9,919,317
Leasing liabilities	28	49,076	–
		49,076	9,919,317
Current liabilities			
Trade and other payables	26	15,419,438	7,897,207
Financial liabilities - borrowings			
Interest bearing loans and borrowings	27	10,840,518	878,327
Leasing liabilities	28	11,113	–
Tax payable		20,895	–
		26,291,964	8,775,534
Total liabilities		26,341,040	18,694,851
Total equity and liabilities		89,388,100	79,491,087

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £23,326 (2022 profit - £4,410,387). The loss for 2023 included £5,528,020 (2022 - £6,721,622) of dividends received from subsidiary companies.

The financial statements on pages 59 to 110 of Thrive Renewables plc, registered number 02978651, were approved by the Board of Directors and authorised for issue on 7 May 2024 and were signed on its behalf by:

Matthew Clayton
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2022	11,379,594	7,200,594	25,477,804	151,402	44,209,394	1,290,944	45,500,338
Changes in equity							
Issue of share capital	1,502,722	–	5,228,907	–	6,731,629	–	6,731,629
Dividends	–	(1,593,143)	–	–	(1,593,143)	(128,378)	(1,721,521)
Total comprehensive income	–	4,521,699	–	–	4,521,699	363,652	4,885,351
Balance at 31 December 2022	12,882,316	10,129,150	30,706,711	151,402	53,869,579	1,526,218	55,395,797
Changes in equity							
Issue of share capital	1,149,042	–	4,216,866	–	5,365,908	–	5,365,908
Dividends	–	(3,091,756)	–	–	(3,091,756)	(572,568)	(3,664,324)
Total comprehensive income	–	8,628,179	–	–	8,628,179	882,297	9,510,476
Balance at 31 December 2023	14,031,358	15,665,573	34,923,577	151,402	64,771,910	1,835,947	66,607,857

Company Statement of Changes in Equity

For the year ended 31 December 2023

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2022	11,379,594	12,645,422	25,477,804	151,402	49,654,222
Changes in equity					
Issue of share capital	1,502,722	–	5,228,907	–	6,731,629
Dividends	–	(1,593,143)	–	–	(1,593,143)
Total comprehensive income	–	6,003,528	–	–	6,003,528
Balance at 31 December 2022	12,882,316	17,055,807	30,706,711	151,402	60,796,236
Changes in equity					
Issue of share capital	1,149,042	–	4,216,864	–	5,365,906
Dividends	–	(3,091,756)	–	–	(3,091,756)
Total comprehensive expense	–	(23,326)	–	–	(23,326)
Balance at 31 December 2023	14,031,358	13,940,725	34,923,575	151,402	63,047,060

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	35	18,950,222	10,699,780
Interest paid		(1,336,228)	(1,494,052)
Interest element of lease payments paid		(95,581)	(55,447)
Income taxes paid		(2,771,993)	(910,316)
Net cash inflow from operating activities		14,746,420	8,239,965
Cash flows from investing activities			
Payments for intangible fixed assets	15	–	(4,407)
Payments for Property, Plant and Equipment	16	(1,510,285)	(9,917,742)
Payments for investment in associates	17	(517,381)	(150,000)
Loan investments repaid		190,908	530,291
Loans advanced		(9,473,830)	(1,368,364)
Interest received on financial assets held as investments		681,042	121,767
Dividends received from associates		870,588	–
Net cash outflow from investing activities		(9,758,958)	(10,788,455)
Cash flows from financing activities			
Proceeds of share issue		5,596,747	7,062,793
Share issue and buy back transaction costs		(230,840)	(331,166)
New loans in year		4,469,869	–
Loan repayments in year		(4,028,998)	(3,544,914)
Principal element of lease payments		(174,682)	(128,020)
Interest element of lease payments		–	(67,337)
Dividends paid to non-controlling interests in subsidiaries		(572,568)	(128,378)
Dividends paid to company's shareholders		(3,091,756)	(1,593,143)
Net cash inflow from financing activities		1,967,772	1,269,835
Increase/(decrease) in cash and cash equivalents		6,955,234	(1,278,655)
Cash and cash equivalents at beginning of year	36	27,713,014	28,991,669
Cash and cash equivalents at end of year	36	34,668,248	27,713,014

Notes to the consolidated financial statements

For the year ended 31 December 2023

1. General information

Thrive Renewables plc is a public company limited by shares and incorporated and domiciled in the United Kingdom under the Companies Act. The address of the registered office is given on page 4. The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report on pages 12 to 44.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

No new standards have been adopted during the financial year.

New Standards and Interpretations not yet adopted
Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. Statutory information

Thrive Renewables plc is a public company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

3. Accounting policies

Basis of preparation
The consolidated financial statements of the group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The separate financial statements of the company have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' as issued by the Financial reporting Council and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in relation to certain assets, presentation of a cashflow statement, standards issues but not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the Group financial statements of Thrive Renewables plc.

The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year unless otherwise stated, are described below.

Basis of accounting
The financial statements are prepared on a going concern basis, under the historical cost basis except for financial instruments held at fair value through profit and loss as disclosed. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in IAS36 Impairment.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value

measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company losses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests have a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which non-controlling interests are adjusted and

3. Accounting policies continued

the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs).The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement, when applicable, the costs on initial recognition of an investment in an associate or a joint venture.

Going concern
The Group and Company financial statements adopt the going concern basis on the grounds that the directors believe the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Further details are included in the Strategic Report.

Business combinations
Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination include an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates at fair value with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interest in the acquired entity is re-measured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are

reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goodwill

Goodwill is initially recognised and measured as set out in the policy 'Business Combinations'.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. The cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

The group's policy for goodwill arising on the acquisition of an associate is described below.

Associates and joint ventures

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement over which the group has joint control and the right to the net assets of the entity.

The results, assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate or joint venture exceeds the group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount; any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture, or when the investment is classified as held for sale. When the group retains an interest in the former associate or joint venture and the

3. Accounting policies continued

retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate. In addition, the Group financial statements for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue, which is stated net of value added tax, represents amounts received or receivable in relation to the company's principal activities in the United Kingdom.

Revenue from the supply of electricity and associated benefits represents the value of electricity generated under contracts to the extent that there is a right to consideration and is measured and recorded at the fair value of the consideration due.

Revenue is recognised when performance obligations have been satisfied and for the group this is when electricity has been generated and transferred to the customer along with the associated benefits and the customer subsequently has control of these.

The directors consider that there is only one class of business and hence segmental information by class is not provided. The total turnover of the company for the financial year has been derived from its principal activity wholly undertaken in the UK.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Operating profit

Operating profit is stated as profit from operations, but before investment income and finance costs.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Pension costs

The Group operates a defined contribution pension scheme for all qualified employees, the assets of which are held in individually administered funds. Pension costs are charged to the profit and loss account as incurred.

Taxation

Current tax, including corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit reported in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying

3. Accounting policies continued

amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Foreign exchange
Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment loss. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset on a straight-line basis, as follows:

Right of use asset	over lease term
Land and buildings	over 25 years
Plant and machinery	over 20 years or end of lease term
Plant and machinery – battery storage	over 15-25 years or end of lease term

Assets under construction are not depreciated.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Investments in subsidiaries, associates and joint ventures
In the company balance sheet investments in subsidiaries, associates and joint ventures are recognised at cost less accumulated impairment losses.

Intangible fixed assets acquired separately
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of amortisation are as follows:

Power purchase agreements	5% per annum

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets acquired in a business combination
Intangible assets are acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. The rates of amortisation are as follows:

Intangible assets	5% per annum

Internally generated intangible assets – development expenditure
Development expenditure representing prospective renewable energy projects is written off, except where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the group is expected to benefit. Provision is made for any impairment.

Development costs	5% per annum

Impairment of tangible and intangible assets excluding goodwill
At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable

3. Accounting policies continued

amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an identifiable useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments
Financial assets and financial liabilities are recognised in the company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets at amortised cost
Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/losses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'amortised cost'.

Financial assets at FVTPL
The group and company classifies the following financial assets at FVTPL;

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

No election has been made to present fair value gains and losses on equity investments in OCI.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets and is included in the 'other gains and losses' line item in the profit and loss account.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flow of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

Financial liabilities at amortised cost
Financial liabilities at amortised cost include trade and other payables and borrowings. Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs and are then subsequently measured at amortised costs using the effective interest method.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the profit and loss account.

Derivative financial instruments
The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross-currency swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date.

The resulting gain or loss is recognised in profit or loss immediately. The group does not enter into any hedge accounting for effective hedge relationships.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised within 12 months. Other derivatives are presented as current assets or liabilities.

Leases
The Group assesses whether a contract is, or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

A right of use asset and corresponding lease liability are recognised at commencement of the lease.

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate the individual lease would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

3. Accounting policies continued

Lease payments include fixed payments and variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement. To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the third party financing was received. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 4%.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. Lease payments are allocated between principal and finance costs. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The lease is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review or change in an index or rate such as inflation.

The right of use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received and initial direct costs. The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The right of use asset is tested for impairment if there are any indicators of impairment.

Leases of low value assets and short-term leases of 12 months or less are expensed to the Consolidated Profit and Loss Account, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

Decommissioning of operational projects
A provision is made for the decommissioning of operational projects based on the Group's best estimate of the cost of decommissioning. These costs are a contractual obligation under the lease to ensure appropriate restoration of the land.

Provisions for decommissioning are recognised in full when the related projects are constructed. A corresponding amount equivalent to the provision is also recognised as part of the costs of the related plant and machinery as a decommissioning asset. The amount recognised is the estimate cost of decommissioning discounted to its net present value and is reassessed at each balance sheet date. Changes in the estimated timing and value of the decommissioning costs estimates are dealt with prospectively by recording as adjustment to the provision and a corresponding adjustment to the decommissioning asset cost. The unwinding of the discount on the decommissioning provision is included as a finance cost.

4. Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3 above, the directors are required to continually evaluate judgements, estimates and assumptions based on historical experience and other factors that are considered to be relevant. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amount of assets and liabilities are addressed below.

Impairment of Property, Plant and Equipment
Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the related assets. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the asset and a pre-tax discount rate of 8.32% (2022 – 8.58%) in order to calculate present value. Forecast wind volumes are based on wind studies carried out at the commencement of each project, adjusted for experience as necessary. Electricity prices are determined with reference to externally sourced forward price curves, on contracted rates as appropriate. Forecasts cover the expected life of each project.

The carrying amount of the group's owned property, plant and equipment totalled £43,880,157 (2022:£46,419,443). In aggregate of the projects, increasing the discount rate in the value in use calculations by 1%, would result in a reduction in headroom from 55% to 49% (2022 : 99% to 76%). Reducing the forecasted cashflows by 10% would result in a reduction in headroom to 39% (2022 : 78%). There is no evidence of impairment of the individual projects.

Estimation of property, plant and equipment useful lives
The useful life used to depreciate property, plant and equipment relates to the expected future performance

4. Judgements and key sources of estimation uncertainty continued

of the assets acquired and management's estimate of the period over which economic benefits will be derived from the asset. There is no evidence of any changes to the asset useful lives.

The depreciation charge and impairment losses for the year for property, plant and equipment totalled £4,051,750 (2022 : £3,581,874) based on the estimated useful economic life of over 20 years. The actual economic life may be shorter or longer. Based on a useful economic life of 15 years for property, plant and equipment, it would increase the annual depreciation charge by £1,350,584 (2022 £594,395). Based on a useful life of 25 years for property, plant and equipment, it would reduce the annual depreciation charge by £810,350 (2022 £445,017).

Decommissioning costs

Amounts used in recording a provision for decommissioning of operational projects are estimates based on current legal and constructive requirements. Due to changes in relation to the items, the future actual cash outflows in relation to decommissioning are likely to differ in practice. To reflect the effects due to changes in legislation, requirements and technology and price levels, the carrying amounts of decommissioning provisions are reviewed on an annual basis. The effects of changes in estimates do not give rise to prior year adjustments and are dealt with prospectively over the estimated remaining useful lives for each operational project. While the Group uses its best estimates and judgement, actual results could differ from these estimates. In estimating decommissioning provisions, the Group applies annual inflation rates of 11.6% to 2% and discount rates of 3% to 4%.

Impairment of goodwill and intangible assets

Determining whether goodwill and intangibles are impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit over its estimated operational life and a pre-tax discount rate of 8.32% (2022 – 8.58%) is used in order to calculate present value. Forecast wind volumes are based on wind studies carried out at the commencement of each project, adjusted for experience as necessary. Electricity prices are determined with reference to externally sourced forward price curves, on contracted rates as appropriate. Forecasts cover the expected life of each project. Forecast period is the life of the lease for each project and no terminal growth rate is used beyond the lease expiry. The carrying amount of goodwill and intangibles at the balance sheet date was £3.1m (2022 - £3.1m) and £6.2m (2022 - £7.3m) respectively; there is no evidence of impairment.

Fair value measurements and valuation processes

Some of the group's assets and liabilities are measured at fair value for financial reporting purposes, see note 19 and 21. The Board of Directors determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the group engages counterparties or third party qualified valuers to perform the valuation.

Impairment of loans and financial assets

Mezzanine loans provided to third parties and other loans provided to joint venture companies are subsequently measured at amortised cost, and are subject to consideration in respect of expected credit losses. The Group and Company keeps that position under regular review, using available reasonable and supportive forward looking information. See further detail in Note 18 for our assessment.

5. Revenue

Segmental reporting

The Directors consider that there is only one class of business provided within the UK and hence segmental information is not provided. The total turnover of the group for the financial year has been derived from its principal activity, being the supply of energy from renewable sources.

6. Other operating income

	2023 £	2022 £
Thrive Renewables (Wicken) Limited	104,460	-
Thrive Renewables (March) Limited	13,544	4,341
Thrive Renewables plc	89,121	150,000
Thrive Renewables (Auchygills) Limited	(65,000)	-
Thrive Renewables (Caton Moor) Limited	49,163	40,000
	191,288	194,341

Other operating income relates to lost availability warranties held with the turbine manufacturers apart from Thrive Renewables plc where it relates to project fees (2022 - the value of personnel resources provided by the group and company in exchange for shares in an associate). The negative amount for Thrive Renewables (Auchygills) Limited relates to the the reversal of other income previously accrued.

7. Share of profits of associates and joint venture

Share of associate's net profit/(loss):	2023 £	2022 £
Fenpower Limited – share of profit	1,084,598	369,958
Greenbreeze Energy (Holdings) Limited	-	-
Riding Sunbeams Apollo Limited	(9,203)	(268,799)
United Downs Geothermal Limited	(168,580)	
United Downs Lithium Limited	(275)	
Geogen Limited	(1,772)	(38,000)
Share of profit	904,768	63,159
Fenpower Limited – goodwill impairment	(1,314,620)	(96,422)

All results from the Group's associates arose from continuing operations. Further details of investments in associates and joint ventures are provided in note 17.

8. Employees and directors

Group and Company	2023 £	2022 £
The remuneration of Directors was as follows:		
Directors' emoluments	575,173	525,563

No pension contributions were paid on behalf of the non-executive Directors in either year. Pension contributions for executive directors were £45,471 (2022 £42,687).

The highest paid director remuneration was £161,650 (2022 £154,200) and pension contributions were £15,690 (2022 £15,000). In the year £15,690 of directors' remuneration was paid to third party companies of which those directors were employed (2022 £20,622).

Directors' do not receive any other compensation or post-employment or other long-term benefits.

Employee costs (including Directors) were as follows:	2023 £	2022 £
Wages and salaries	1,166,410	978,663
Social security costs	133,551	111,564
Other pension costs	96,007	81,977
	1,395,968	1,172,204

During 2023 the monthly average number of employees was 20 (2022:18).

The activities of the employees are:	2023 No.	2022 No.
Non-executive directors	5	5
Executive directors	3	3
Operations	1	1
Finance	1	1
Investments	6	4
Marketing and communications	3	2
Investor relations and governance	-	1
Sustainability analyst	1	1
	20	18

The Directors of the Company are considered the only key management personnel.

9. Net finance costs

	2023 £	2022 £
Finance income:		
Interest receivable	1,327,320	726,630
Finance costs:		
Bank loans	696,934	816,233
Other loans	705,865	652,501
Interest payable	497	556
Decommissioning	155,354	–
Leasing	95,581	67,337
	1,654,231	1,536,627

10. Profit before income tax

The profit before income tax is stated after charging/ (crediting):	2023 £	2022 £
Variable lease payments	447,003	230,408
Depreciation – property, plant and equipment	4,051,750	3,581,874
Depreciation – right of use assets	190,838	178,083
Development costs amortisation	1,085,413	1,084,594
Purchase Power Agreement amortisation	13,999	13,999
Audit- parent company accounts	91,160	61,431
Audit- subsidiary accounts	97,562	89,969
Audit- variation for 2022 audit	64,110	–
Non audit- tax and other services	95,950	61,500
Foreign exchange differences	(29,010)	(149,804)
Electricity Generators Levy	130,567	–
Impairment in carrying value of investment in associate	1,314,620	96,422

The directors have agreed with the company's auditors that the auditor's liability to damages for breach of duty in relation to the audit of the company's financial statements for the year to 31 December 2023 will be limited to the greater of £5m or 5 times the auditor's fees for the statutory audit, and that in any event the auditor's liability for damages will be limited to that part of any loss suffered by the company as is just and equitable having regard to the extent to which the auditor, the company and any third parties are responsible for the loss in question. A resolution for the shareholders to approve this liability limitation agreement, as required by the Companies Act 2006 will be proposed by the directors at the next AGM.

11. Income tax

Analysis of tax expense	2023 £	2022 £
Current tax:		
Current tax on income for the year at 23.52% (2022:19%)	3,781,170	1,980,241
Adjustment in respect of previous years	3,263	(2,598)
Total current tax	3,784,433	1,977,643
Deferred tax:		
Origination and reversal of timing differences	(690,328)	(534,208)
Adjustment in respect of previous years	(16,047)	3,384
Effects of change in tax rates	(43,430)	211,792
Total deferred tax	(749,805)	(319,032)
Total tax expense in consolidated statement of profit or loss	3,034,628	1,658,611

Factors affecting the tax expense
The tax assessed for the year is higher (2022 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Profit before income tax	12,545,104	6,543,962
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	2,950, 680	1,243,353
Effects of:		
Expenses not deductible for tax purposes	147,110	191,327
Effects of change in tax rates	(43,430)	211,792
Adjustments in respect of previous years	(12,785)	786
Amounts not recognised	(6,947)	11,353
Tax expense	3,034,628	1,658,611

A change to the main UK corporation tax rate was included in the Finance Bill 2021. The rate applicable from 1 April 2020 to 31 March 2023 remains at 19% but the rate from 1 April 2023 has increased to 25%. Deferred taxes at the reporting date have been measured using 25% rate.

12. Loss of parent company

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £23,326 (2022 profit - £6,003,528 less dividend £1,593,143 giving £4,410,385 net addition to reserves). The loss for 2023 included £5,528,020 (2022 - £6,721,622) of dividends received from subsidiary companies.

13. Dividends

	2023 £	2022 £
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 December 2023 of 12p (2022: 7p) per share	3,091,756	1,593,143
Total dividends paid	3,091,756	1,593,143

The directors recommend a final dividend of 12p per share for payment in 2024 reflecting the strong performance in the year and the robust reserves position of the company.

14. Goodwill

Cost	£
Opening balance at 1 January 2022	3,072,380
Additions	–
Balance at 31 December 2022	3,072,380
Additions	–
Balance at 31 December 2023	3,072,380
Accumulated impairment losses	
At 1 January 2023 and 31 December 2023	–
Net book value	
At 31 December 2023	3,072,380
At 31 December 2022	3,072,380

Further details with regards to the carrying value of Goodwill is given in note 4.

15. Intangible assets

	Development costs £	Purchase power agreement £	Totals £
Cost			
At 1 January 2022	22,343,427	279,975	22,623,402
Additions	4,407	–	4,407
At 31 December 2022	22,347,834	279,975	22,627,809
Additions	–	–	–
At 31 December 2023	22,347,834	279,975	22,627,809
Accumulated Amortisation			
At 1 January 2022	14,022,847	244,846	14,267,693
Amortisation for the year	1,084,594	13,999	1,098,593
At 31 December 2022	15,107,441	258,845	15,366,286
Amortisation for the year	1,085,413	13,999	1,099,412
At 31 December 2023	16,192,854	272,844	16,465,698
Net Book Value			
At 31 December 2023	6,154,980	7,131	6,162,111
At 31 December 2022	7,240,393	21,130	7,261,523

16. Property, plant and equipment

Group	Right of use asset £	Land and buildings £	Plant and machinery £	Assets under construction £	Totals £
Cost					
At 1 January 2022	2,692,936	325,000	67,041,809	2,685,657	72,745,402
Transfer to plant and machinery	–	–	2,447,968	(2,447,968)	–
Additions	153,077	–	4,797,358	10,012,983	14,963,418
At 31 December 2022	2,846,013	325,000	74,287,135	10,250,672	87,708,820
Transfer to plant and machinery	–	–	10,405,609	(10,405,609)	–
Additions	317,309	–	3,629,527	154,937	4,101,773
At 31 December 2023	3,163,322	325,000	88,322,271	–	91,810,593
Accumulated depreciation and impairment					
At 1 January 2022	449,482	325,000	34,536,490	–	35,310,972
Charge for the year	178,083	–	3,581,874	–	3,759,957
At 31 December 2022	627,565	325,000	38,118,364	–	39,070,929
Charge for the year	190,838	–	4,051,750	–	4,242,588
Impairment loss	–	–	2,272,000	–	2,272,000
At 31 December 2023	818,403	325,000	44,442,114	–	45,585,517
Net Book Value					
At 31 December 2023	2,344,919	–	43,880,157	–	46,225,076
At 31 December 2022	2,218,448	–	36,168,771	10,250,672	48,637,891

All right to use assets relate to property leases. Plant and machinery includes fixtures and fittings at cost of £18,101 (2022 £18,101) with accumulated depreciation of £18,101 (2022 £18,101).

The impairment loss of £2,272,000 (2022 - £0) arises in Thrive Renewables (Wicken) Limited and is a result of lower revenue expectation for battery revenues over the life of this operational project. The impairment has been calculated on the basis of reducing the carrying value of the asset to its value in use.

16. Property, plant and equipment continued

Company	Right of use asset £	Plant and machinery £	Fixtures and fittings £	Totals £
Cost				
At 1 January 2022	29,492	11,933	18,101	59,526
Additions	–	–	–	–
At 31 December 2022	29,492	11,933	18,101	59,526
Additions	70,874	–	–	70,874
At 31 December 2023	100,366	11,933	18,101	130,400
Accumulated depreciation				
At 1 January 2022	29,492	11,552	18,101	59,145
Charge for the year	–	381	–	381
At 31 December 2022	29,492	11,933	18,101	59,526
Charge for the year	11,812	–	–	11,812
At 31 December 2023	41,304	11,933	18,101	71,338
Net Book Value				
At 31 December 2023	59,062	–	–	
At 31 December 2022	–	–	–	–

All right to use asset relates to property leases.

17. Investments

Group	Investment in joint ventures £	Investment in associates £	Total £
Carrying value			
At 1 January 2022	–	3,054,433	3,054,433
Additions	–	300,000	300,000
Impairment in investment	–	(96,422)	(96,422)
Dividends received	–	–	–
Share of (loss)/profit	–	63,159	63,159
At 31 December 2022	–	3,321,170	3,321,170
Share of (loss)/profit	–	904,768	904,768
Impairment in investment	–	(1,314,620)	(1,314,620)
Dividends received	–	(870,588)	(870,588)
Additions	–	6,907,094	6,907,094
At 31 December 2023	–	8,947,824	8,947,824
Net Book Value			
At 31 December 2023	–	8,947,824	8,947,824
At 31 December 2022	–	3,321,170	3,321,170

In 2023 the company made additional investments in Fenpower Limited £3,480,559 , United Downs Geothermal Limited £3,426,260 and United Downs Lithium Limited £275.

The impairment in investment of £1,314,620 (2022 - £96,422) relates to Fenpower Limited and is the result of adjusting the carrying value of the operational wind farm to take account of the remaining useful economic life. The impairment has been calculated on the basis of reducing the carrying value of the asset to its value in use.

Results for the year ended 31 December 2023 - TR Fenpower Limited, Fenpower Limited, Green Breeze Energy (Holdings) Limited, Riding Sunbeams Apollo Limited, United Downs Geothermal Limited, United Downs Lithium Limited and Geogen Limited.

17. Investments continued

TR Fenpower Limited - owned 50% by Thrive Renewables plc	2023 £	2022 £
Current assets	5,979,073	80,781
Non-current assets	–	3,738,765
Current liabilities	–	(50,476)
Non-current liabilities	–	–
Deferred tax	4,197	7,330
Net assets	5,983,270	3,776,400
Revenue	–	–
(Loss) from continuing operations	(29,040)	(9,145)
Gain on sale of investment	2,234,628	–

There are no other items of comprehensive income.

Fenpower Limited - 2023 owned 29% by Thrive Renewables plc (2022 - owned 49.8% by TR Fenpower Limited)	2023 £	2022 £
Current assets	2,502,563	3,196,791
Non-current assets	4,237,107	5,193,309
Current liabilities	(460,931)	(625,105)
Non-current liabilities	–	(202,601)
Deferred tax and other provisions	(1,768,216)	(2,071,290)
Net assets	4,510,523	5,491,104
Revenue	3,590,707	3,038,269
Profit from continuing operations	2,019,419	1,480,992

There are no other items of comprehensive income.

Green Breeze Energy (Holdings) Limited - owned 50% by Thrive Renewables plc	2023 £	2022 £
Current assets	4,882,900	4,361,212
Non-current assets	10,405,659	11,164,283
Current liabilities	(607,760)	(570,273)
Non-current liabilities	(14,325,497)	(14,419,409)
Deferred tax and other provisions	(1,336,774)	(1,109,669)
Net (liabilities)	(981,472)	(573,856)
Revenue	2,051,379	1,882,711
(Loss)/Profit from continuing operations	(116,356)	888,544
Unrecognised share of (loss)/profit in the year	(58,178)	444,272
Unrecognised share of (loss) cumulative	(490,730)	(432,552)

There are no other items of comprehensive income.

17. Investments continued

Riding Sunbeams Apollo Limited - owned 41% by Thrive Renewables plc	2023 £	2022 £
Current assets	15,017	45,452
Non-current assets	44,221	51,221
Current liabilities	(57,029)	(68,415)
Non-current liabilities	(50,000)	(55,000)
Deferred tax	–	–
Net liabilities	(47,791)	(26,742)
Revenue	–	–
(Loss) from continuing operations	(21,159)	(236,306)

United Downs Geothermal Limited - owned 20% by Thrive Renewables plc as at 31 December 2023	2023 £	2022 £
Current assets	13,655,524	–
Non-current assets	6,813,392	–
Current liabilities	(37,218)	–
Non-current liabilities	(6,391,890)	–
Deferred tax	–	–
Net assets	14,039,808	–
Revenue	–	–
(Loss) from continuing operations - pre trade	(837,866)	–

There are no other items of comprehensive income.

United Downs Lithium Limited - owned 27.5% by Thrive Renewables plc as at 31 December 2023	2023 £	2022 £
Current assets	275	–
Non-current assets	–	–
Current liabilities	–	–
Non-current liabilities	(200,000)	–
Deferred tax	–	–
Net liabilities	(314,725)	–
Revenue	–	–
(Loss) from continuing operations - pre trade	(200,000)	–
Unrecognised share of (loss)in the year	(54,725)	0
Unrecognised share of (loss) cumulative	(54,725)	0

There are no other items of comprehensive income.

17. Investments continued

Geogen Limited - owned 9.5% by Thrive Renewables plc	2023 £	2022 £
Current assets	46,749	251
Non-current assets	–	47,191
Current liabilities	–	–
Non-current liabilities	–	–
Deferred tax	–	–
Net assets	46,749	47,442
Revenue	–	–
(Loss) from continuing operations	(693)	(417,960)

There are no other items of comprehensive income.

The information above represents the consolidated amounts presented in the financial statements of the associate and joint venture (and not the group's share of these amounts), adjusted for differences in accounting policies between the group and the associate and joint venture.

There are no contingent liabilities relating to the group's interest in the associate and joint ventures.

Company Investment in subsidiary undertakings and other investments at cost:	Investment in subsidiaries £	Investment in associates £	Total investments £
Carrying value			
At 1 January 2022	15,441,685	3,144,859	18,586,544
Additions	4,408	300,000	304,408
At 31 December 2022	15,446,093	3,444,859	18,890,952
Additions	–	6,907,095	6,907,095
Impairment	–	(1,642,008)	(1,642,008)
At 31 December 2023	15,446,093	8,709,946	24,156,039
Net book value			
At 31 December 2023	15,446,093	8,709,946	24,156,039
At 31 December 2022	15,446,093	3,444,859	18,890,952

Additions in the year related to investments in Fenpower Limited £3,480,559 , United Downs Geothermal Limited £3,426,260 and United Downs Lithium Limited £275.

The impairment in investment of £1,642,008 (2022 - £0) relates to Fenpower Limited and is the result of adjusting the carrying value of the operational wind farm to take account of the remaining useful economic life.
The impairment has been calculated on the basis of reducing the carrying value of the asset to its value in use.

Further information about associates and subsidiaries, including disclosures about non-controlling interests, is provided in note 37 to the Company's financial statements.

18. Loans and other financial assets

Group	2023 £	2022 £
Loans to third party wind farm developers	–	–
Loans to joint venture company (to fund capital expenditure)	3,835,203	3,661,584
Loan to joint venture company (to fund acquisition)	32,493	32,493
Loan to joint venture company (to fund development)	–	–
Mezzanine loans provided to third parties	12,496,339	4,679,113
Bonds held as investments	621,000	265,000
	16,985,035	8,638,190

Company	2023 £	2022 £
Loans to third party wind farm developers	–	–
Loans to joint venture company (to fund capital expenditure)	3,835,203	3,661,584
Loan to joint venture company (to fund acquisition)	32,493	32,493
Loans to subsidiary company (to fund development)	179,600	179,598
Mezzanine loans provided to third parties	12,496,339	4,329,113
	16,543,635	8,202,788

In July 2016, the Company entered into a joint venture with Green Power (Drumduff) Ltd to purchase Green Breeze Energy Limited (GBEL). GBEL has successfully secured all the required rights and permits to build a 6MW wind farm in Scotland. Thrive Renewables has purchased a 50% holding in the Company but has also provided capital in the form of loans to fund capital expenditure. The project reached financial close in January 2017 and became operational in July 2017. At the year end there is a loan balance including accrued interest of £3,867,696 (2022:£3,694,077). During the year £173,619 (2022 - £173,619) of interest was accrued and there were no repayments.

In 2018, Thrive Renewables plc entered into a joint venture agreement with Aura Power Storage Solutions Limited. A loan of £179,600 (2022:£179,598) has been provided to the company Thrive Renewables Bess Holdings Limited (formally Aura Power Energy Solutions Limited) to fund business development work including capitalised interest. During 2021, Thrive Renewables plc purchased the entire share capital of the company and it is therefore now part of the group consolidation and therefore only shown as part of the company loan balances.

Thrive Renewables Group makes mezzanine loans to companies to fund the acquisition of renewables energy projects. At the year end the balance of these loans is £12,496,339 (2022:£4,679,113) including interest accrued. The additions are new loans to Ethical Power and ACE community project.

During 2020, a 100% subsidiary of Thrive Renewables plc, Brunel Wind Limited offered all bondholders in Thrive Renewables plc the ability to sell their bonds at a value equivalent to principal plus accrued interest, this offer was extended into 2023. Therefore, Brunel Wind Limited now owns £271,000 of bonds in Thrive Renewables plc (2022 £265,000). In addition, Brunel Wind Limited owns bonds in Renewable Heat Holdings Limited (formerly known as Rendesco Holdings Ltd) of £350,000 (2022 : £350,000 included in mezzanine loans).

Further information about associates and subsidiaries, including disclosures about non-controlling interests, is provided in note 37 to the Company financial statements.

18. Loans and other financial assets continued

Assessment on Expected Credit Loss on financial assets:

The Company's financial assets are held in a business model whose purpose is to collect contractual cash flows and consist solely of principle and interest. Financial assets are initially measured at fair value and are subsequently measured at amortised cost.

The Company's financial assets listed above, are subject to consideration in respect of ECLs.

The Company keeps this position under regular review, using available reasonable and supportive forward looking information including:

- monitoring the continued timely collection of receivables,
- changes in counterparty credit ratings,
- any actual or expected changes in the industry or economic conditions that could cause a significant change to the borrower's ability to meet its obligations,
- actual or expected significant changes in the operating results of the borrower,
- updated financial forecasting models of the borrower,
- significant changes in the value or nature of collateral supporting the obligation, or the quality of any third party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery. The Company establishes a provision for doubtful debts if they are more than 120 days past due. The Company continues to engage in enforcement activity until it is determined that the debt is uncollectible, at which point the outstanding amount is written off in full.

Given the nature of the financial assets in place the ECL applied to each is deemed to be minimal and therefore the identified impairment loss immaterial.

19. Derivative financial instruments

	2023 £	2022 £
Financial assets carried at fair value through profit or loss (FVTPL)		
Held for trading derivatives that are not designated in hedge accounting relationships	653,677	977,206
Financial liabilities carried at fair value through profit or loss (FVTPL)		
Held for trading derivatives that are not designated in hedge accounting relationships	-	-

Further details of derivative financial contracts are provided in note 29.

20. Trade and other receivables

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Current:				
Trade debtors	2,057,742	1,361,319	110,026	2,574
Group relief debtor	–	–	1,714,923	1,095,509
Amounts owed from group undertakings	–	–	20,806,588	24,747,680
Amounts owed from associates and joint ventures	–	50,476	–	50,476
Called up share capital not paid	147	147	–	–
Prepayments and accrued income	6,760,219	4,377,221	275,125	154,524
	8,818,108	5,789,163	22,906,662	26,050,763
Non-current:				
Derivative financial instruments	653,677	977,206	–	–
	653,677	977,206	–	–
Aggregate amounts	9,471,785	6,766,369	22,906,662	26,050,763

Trade Debtors
Trade debtors disclosed above are measured at amortised cost.

The average credit period taken on sales of goods is 30 days. No interest is charged on the debtors for the first 30 days from the date of the invoice. Thereafter, interest is charged at 8% on the outstanding balance.

At the year-end £785,731 has been provided against debtors for an availability claim invoiced in 2019 to our then Operations and Maintenance contractor Senvion GmbH. In July 2019 Senvion GmbH was declared insolvent by a German Court and therefore provision has been made against amounts outstanding that are not covered by a contractual right of set off. We continue to pursue payment through the German administration process but full provision against this debt has been made based on the uncertainty over recovery.

The group has not recognized any other allowance for doubtful debts as no other debts are past 120 days due and historical experience has been that debtors that are past due beyond 120 days are not recoverable. Allowances against doubtful debts are recognised against trade receivables between 30 days and 120 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. The group have no trade debtors which are past due date at the reporting date and therefore the Group has not made any allowance for doubtful debtors, other than disclosed above. There has not been a significant change in credit quality and all amounts are still considered recoverable. The average age of these debtors is 20 days (2022: 20 days).

In determining the recoverability of a trade receivable the Group considers and change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

The Directors consider that the carrying amount of trade and other debtors is approximately equal to their fair value.

21. Financial assets at fair value through profit and loss

The group classifies the following financial assets at fair value through profit or loss (FVTPL):

- Debt instruments that do not qualify for measurement at amortised cost because there is an option to convert to equity investment.
- Equity investments that are held for trading;
- Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI. No election has been made to present fair value gains and losses on equity instruments in OCI.

Current Assets Financial assets measure at FVTPL include the following:	**2023** **£**	**2022** **£**
Convertible loan (i)	1,582,356	3,426,260
Non Current Assets	**2023** **£**	**2022** **£**
Unlisted equity shares (ii)		
Carrying value		
At 1 January	25	25
Additions	-	-
At 31 December	25	25

(i) During 2020, the company provided a loan of £3,000,000 to United Downs Geothermal Limited to fund the development of a deep geothermal energy project in Cornwall. The loan has the option to be converted to equity at financial close and only attracts interest if that option is not exercised.

The loan does not qualify for measurement at amortised cost as the conversion option fails the solely payment of principle and interest test, and therefore should be measured at fair value through profit and loss.

During 2023 this loan was converted to 20% equity stake in the company.

During 2023, a further loan was provided by the company to United Downs Geothermal Limited to fund the construction of the power plant for electricity generation and zero-carbon heat from the deep geothermal energy project. The total loan commitment is £2,875,000 and at the year end £1,437,500 had been drawn. The loan has the option to be converted to 14.8% equity at any time after the full loan is drawn up to the term end date of the loan. The term end date is the earlier of (a) 36 months from the term start date of 24 February 2023; or (b) 18 months following the date of which the project is commissioned. If there is no conversion before the term end date then the loan is repaid including interest accrued and compounded at 8% per annum.

The loan does not qualify for measurement at amortised cost as the conversion option fails the solely payment of principle and interest test, and therefore should be measured at fair value through profit and loss.

At the end of the accounting period the Company have assessed the fair value of the financial asset as the weighted average, based on probability, of the value of the equity option and the value of the loan plus accrued interest. The calculation resulted in a fair value assessment of £1,582,356 (2022 - £3,426,260) and therefore a fair value adjustment of £50,966 gain (2022: £74,572 loss) is recorded in the profit and loss. The valuation includes a >95% probability of conversion. If the probability of conversion was to be 50%, it would result in an decrease in the valuation of £24,142 (2022 - £229,832 increase).

(ii) This represents a 12.5% holding in Olympus Solar Holdings Limited in ordinary shares. Unlisted equity securities are considered as level 3 instruments as one or more significant inputs are not based on observable market data. The valuation techniques for such investments would be discounted cash flow analysis. However, as some of the projects are yet to be commissioned we would not expect the calculation to result in a change in fair value from the cost recognised and therefore no movement is recorded in the profit and loss accounts.

22. Cash and cash equivalents

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Bank accounts	34,668,248	27,713,014	24,011,825	22,625,661

23. Non-controlling interests

	2023 £	2022 £
At 1 January	1,526,218	1,290,944
Profit allocated to non-controlling interests	882,297	363,652
Dividends paid to non-controlling interests	(572,568)	(128,378)
At 31 December	1,835,947	1,526,218

24. Called up share capital

	2023 No.	2023 £	2022 No.	2022 £
Allotted, issued and fully paid:				
Ordinary shares of £0.50 each	28,062,715	14,031,358	25,764,631	12,882,316

During the year 221,611 ordinary shares of £0.50 each were allotted, issued and fully paid up at a premium of £1.85 per share. This allotment is part of a SCRIP scheme whereby shareholders can receive new shares instead of cash dividends.

In addition, the Company raised additional capital for growth from the sale of new shares and 2,088,873 ordinary shares of £0.50 each were allotted, issued and fully paid up at a premium of £1.93 per share, raising a total of £5.1m of capital to fund further projects.

As part of the company's share buy back scheme 12,400 were bought back in 2023 at a price of £2.115 (being 90% of the directors' valuation of £2.35 in June 2023).

25. Reserves

Group	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2023	10,129,150	30,706,711	151,402	40,987,263
Profit for the year	8,628,179	–	–	8,628,179
Dividends	(3,091,756)	–	–	(3,091,756)
Share issue	–	4,441,505	–	4,441,505
Purchase of own shares	–	(20,026)	–	(20,026)
Share issue costs	–	(204,613)	–	(204,613)
At 31 December 2023	15,665,573	34,923,577	151,402	50,740,552

Company	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2023	17,055,807	30,706,711	151,402	47,913,920
Deficit for the year	(23,326)	–	–	(23,326)
Dividends	(3,091,756)	–	–	(3,091,756)
Share issue	–	4,441,505	–	4,441,505
Purchase of own shares	–	(20,026)	–	(20,026)
Share issue costs	–	(204,615)	–	(204,615)
At 31 December 2023	13,940,725	34,923,575	151,402	49,015,702

Comparatives can be seen in the Statement of Changes in Equity starting on page 66.

The capital redemption reserve represents the nominal value of bought back shares.

26. Trade and other payables

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Current:				
Trade creditors	983,690	989,485	146,314	89,512
Consortium relief creditor	438,013	415,529	-	-
Amounts owed to group undertakings	-	-	10,759,600	6,781,555
Social security and other taxes	815,052	380,141	83,503	78,784
Other creditors	24,034	11,280	14,087	11,280
Dividends payable	6,976	6,976	6,976	6,976
Accruals and deferred income	3,374,723	2,274,897	1,445,504	929,100
Amount owed to joint venture	2,963,454	-	2,963,454	-
	8,605,942	4,078,308	15,419,438	7,897,207

Pension contributions owing at the year-end amounted to £14,060 (2022: £11,280).

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest is charged on the trade creditors for the first 60 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all creditors are paid within the pre-agreed credit terms.

The Directors consider that the carrying amount of trade creditors approximates to their fair value.

27. Financial Liabilities – Borrowings

Group	2023 £	2022 £
Bank loans and overdrafts		
Amounts payable		
- due within one year	5,387,127	3,994,934
- due within one to two years	4,884,358	3,479,485
- due within two to five years	8,186,202	8,990,446
- due after five years	4,688,300	6,716,056
	23,145,987	23,180,921
Other loans		
Amounts payable		
- due within one year	12,840,518	2,878,327
- due within one to two years	–	9,962,192
- due within two to five years	–	–
- due after five years	527,805	–
Amortisation of issue costs	–	(42,875)
	13,368,323	12,797,644
Analysis of loan repayments		
Loans and overdrafts		
- due within one year	18,227,645	6,873,261
- due within one to two years	4,884,358	13,441,677
- due within two to five years	8,186,202	8,990,446
- due after five years	5,216,105	6,716,056
Amortisation of issue costs	–	(42,875)
	36,514,310	35,978,565
Company		
Bank loans and overdrafts		
Amounts payable	–	–
- due within one year	–	–

27. Financial Liabilities – Borrowings continued

Company	2023 £	2022 £
Bank loans and overdrafts		
Amounts payable	–	–
- due within one year	–	–
Other loans		
Amounts payable		
- due within one year	10,840,518	878,327
- due within one to two years	–	9,962,192
- due within two to five years	–	–
- due after five years	–	–
Amortisation of issue costs	–	(42,875)
	10,840,518	10,797,644
Analysis of loan repayments		
Loans and overdrafts		
- within one year	10,840,518	878,327
- within one to two years	–	9,962,192
- within two to five years	–	–
- due after five years	–	–
Amortisation of issue costs	–	(42,875)
	10,840,518	10,797,644

As at 31 December 2023 there are bank fees of £186,105 (2022: £180,171) offset against Group bank loans.

At 31 December 2023, Group bank loans total £23,145,987 (2022: £23,180,921).

Amounts totalling £16,691,157 (2022:£15,777,632) held with Triodos bank bear interest at a weighted average fixed rate of 4.38% (2022 - 3.52%). Of this amount, £3,197,444 (2022:£4,191,447) is repayable after five years. This amount bears interest at a weighted average fixed rate of 3.11% (2022:3.28%).

Amounts totalling £6,454,830 (2022:£7,403,289) held with Santander Bank bear interest at a weighted average fixed rate of 2.45% (2022 - 2.45%), of this amount £1,490,856 (2022- £2,524,609) is due after 5 years. The fixed rate of interest is achieved by the purchase of financial instruments (interest rate swaps) which are now shown as an asset (2022 - an asset) on the balance sheet of the Group. The asset recognised at the year-end on interest rate swaps amount to £653,677 (2022 - £977,206). The recognition of this asset/liability is in effect the advance charge of interest over the life of the swaps (ten-year term).

Bank loans are secured by first fixed and floating charges on the fixed assets of the subsidiary companies. The maximum term of any loan currently outstanding expires in 2030.

Other loans represent £2,878,327 mezzanine loan finance which bears interest at a variable rate of 0.25% above UK bank base rate with a maximum of 5.25% payable and a minimum of 4.25% payable (2022:4% fixed). In addition, the Group raised a bond in 2016/2017 of £9,962,192 in Thrive Renewables plc for 7 years at 5% interest. This is repayable in March 2024. During the year a new loan of £527,805 was also provided into one of the subsidiary companies which bears interest at a fixed rate of 7%.

The Group's gearing ratio (calculated as debt/debt plus net assets) is 35% (2022 : 39%).

28. Leasing

Group
Right–of–use assets
The Group leases land on which the projects they operate are located. Lease contracts are typically made for a fixed period of 20 years of operation or the period of which planning permission is granted on the site. The Company leases office space.

Minimum lease payments fall due as follows:

Group	2023 £	2022 £
Movement in lease obligations:		
Total obligations brought forward	2,342,489	2,339,509
Lease additions	317,308	153,076
Lease interest charged	95,581	90,096
Lease repayments	(270,265)	(240,192)
Total obligations carried forward	2,485,113	2,342,489
Net obligations repayable:		
Within one year	175,970	156,218
Between one and five years	745,048	633,253
In more than five years	1,564,095	1,553,018
Total	2,485,113	2,342,489

Company	2023 £	2022 £
Movement in lease obligations:		
Total obligations brought forward	–	–
Lease additions	70,874	–
Lease interest charged	2,315	–
Lease repayments	(13,000)	–
Total obligations carried forward	60,189	–
Net obligations repayable:		
Within one year	11,113	–
Between one and five years	49,076	–
In more than five years	–	–
Total	60,189	–

28. Leasing continued

Group	2023 £	2022 £
Lease payments due:		
Within one year	237,490	207,746
Between one and five years	925,261	800,360
In more than five years	1,862,321	1,830,524
Total	3,025,072	2,838,630

Company	2023 £	2022 £
Lease payments due:		
Within one year	13,000	–
Between one and five years	52,000	–
In more than five years	–	–
Total	65,000	–

Some property leases contain variable terms that are linked to revenue generated from the project. Variable terms are used for a variety of reasons, including minimising the fixed cost base of the Company. Variable lease payments that depend on revenue are recognised in profit and loss in the period in which the condition that triggers those payments occurs.

Group	2023 £	2022 £
Lease payments due:		
Expenses relating to variable lease payments not included in lease liabilities (included in administrative expenses)	447,003	230,408

Variable lease payments represent 1%-4% of turnover on various sites. For context, a 10% increase in turnover across all operational sites would increase variable lease payments by 2.8% of turnover.

The total cash outflow for leases in 2023 was £717,266 (2022 - £470,604).

29. Financial instruments

Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from 2022.

The capital structure of the group consists of net debt (borrowings disclosed in note 27 after deducting cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as disclosed in notes 23 to 25). The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 80% to 100% determined as the proportion of net debt to fixed equity. The gearing ratio at 31 December 2023 of 3% (2022 15%) was lower than the target range due to large cash balance held at year end from operations and capital raised for investment in new projects that has been committed but not yet spent.

Net debt to equity ratio

The net debt to equity ratio at the year-end is as follows:

	2023 £	2022 £
Debt	36,514,310	35,978,565
Cash and cash equivalents	(34,668,248)	(27,713,014)
Net debt	1,846,062	8,265,551
Equity	66,607,857	55,395,797
Net debt to equity ratio	3%	15%

Debt is defined as long and short-term borrowings (excluding derivatives and financial guarantee contracts) as detailed in note 27. Equity includes all capital and reserves of the group that are managed as capital.

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

29. Financial instruments continued

Categories of financial instruments	2023 £	2022 £
Financial assets:		
Fair vale through profit and loss (FVTPL):		
Derivative financial instruments (note 19)	653,677	977,206
Unlisted equity securities (note 21)	25	25
Convertible loan (note 21)	1,582,356	3,426,260
Amortised cost:		
Cash and bank balances	34,668,248	27,713,014
Receivables	2,057,742	1,361,319
Accrued income	5,305,557	3,479,741
Loans	16,985,036	8,638,190
Financial liabilities:		
Fair value through profit and loss (FVTPL):		
Derivative financial instruments (note 19)	–	–
Amortised cost:		
Payables	(5,231,219)	(1,803,411)
Accruals	(3,374,722)	(2,274,897)
Borrowings	(36,514,310)	(35,978,565)
Leasing liabilities	(2,485,114)	(2,342,489)

Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- forward foreign exchange contracts to hedge the exchange rate risk arising on the purchase of assets stated in foreign currencies and;
- interest rate swaps to mitigate the risk of rising interest rates.

Market risk exposures are measured using value-at-risk (VaR) analysis supplemented by sensitivity analysis. There has been no change to the group's exposure to market risks or the manner in which these risks are managed and measured.

All financial instruments are classified as level 2 per the fair value hierarchy.

30. Provisions

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Decommissioning provision	5,572,863	3,953,058	–	–
	5,572,863	3,953,058	–	–
Analysed as follows:			–	–
Current	313,020	703,933	–	–
Non-current	5,259,843	3,249,125	–	–
	5,572,863	3,953,058	–	–

Decommissioning provision

Movement in decommissioning provision:	2023 £	2022 £
Provision brought forward	3,953,058	3,953,058
Additions to provision	1,464,452	–
Interest charged	155,353	–
Provision carried forward	5,572,863	3,953,058

The provision for the decommissioning of the operational projects represents the net present value of the Group's best estimate of the costs to decommission each project at the end of its useful life. The provisions were re-estimated at the end of the year to reflect current management expectations of the future liability.

The closing provision has been discounted to its present value for each project separately, based on the yield on a UK gilt maturing at the end of its economic life (between 2024 and 2051).

Decommissioning assets are recognised to match the decommissioning liability and included within plant and machinery in note 16. Unwinding of discount amount is recognised only in the decommissioning liability.

The provision at 31 December 2023 at a discount rate of 3.93% is £5,572,863. Increasing the discount rate used for the decommissioning provision by 1%, would result in a reduction in the provision of £570,899 (2022 £399,633) and decreasing the discount rate by 1% would be increase in the provision by £674,047 (2022 £466,442).

31. Deferred tax

Group

	2023 £	**2022 £**
Balance at 1 January	5,645,883	5,964,915
Credit to profit & loss account	(690,328)	(534,208)
Development cost additions nil tax base		
Adjustments in respect of previous years	(16,047)	3,384
Effects of change in tax rates	(43,430)	211,792
Balance at 31 December	4,896,078	5,645,883

The amounts of deferred taxation provided in the financial statements are as follows:

	2023 £	**2022 £**
Accelerated capital allowances	6,822,665	4,377,458
Tax losses carried forward	(2,091,766)	(721,314)
Deferred tax on derivatives	163,419	244,302
Short-term timing differences	(1,537,646)	(65,320)
Deferred tax on development costs	1,539,406	1,810,757
	4,896,078	5,645,883

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2023 £	**2022 £**
Deferred tax assets - non current	1,674,807	1,561,151
Deferred tax liabilities - non current	(6,570,885)	(7,207,034)
	(4,896,078)	(5,645,883)

The company has a deferred tax asset of £128,496 (2022:£293,399). The net deferred tax liability expected to reverse in 2024 is £1.1m (2022 - £0.3m liability).

32. Ultimate parent company

Thrive Renewables plc is the ultimate parent company of the group. There is no ultimate controlling party.

33. Contingent liabilities

HSBC Bank has issued a performance bond in the sum of £48,000 in relation to certain undertakings given by the Group Company Thrive Renewables (Caton Moor) Limited in respect of planning obligations at its wind farm site. The maximum contingent liability of the Company is equal to the bond.

34. Related party disclosures

During 2016 the Group raised new investment by way of bonds. The following is the Director's interest in those bonds as at 31 December 2023 and 2022.

	Thrive Renewables plc
Charles Middleton	£10,000
Simon Roberts	£3,000
Peter Weston	£15,240

The company regularly employs consultants to assist with technical due diligence on prospective new projects. During the year the Company engaged Everose Partners Limited for this purpose and Colin Morgan is a Director of Everose and a Director of Thrive. In 2023 consultancy fees of £27,426 were paid to Everose (2022 - £50,278) and no amounts were outstanding at the year end.

The company recharges fees to companies that it has an ownership stake in. These fees are for costs invoiced to the Thrive Renewables plc Limited which cover a number of subsidiaries and for fees related to directorships.

All related party disclosures in the table below relate to the group and company apart from Boardinghouse Windfarm Limited which is only applicable to the company.

The company has taken advantage of the exemption under FRS 101 - paragraph 8.k of the requirement to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

34. Related party disclosures continued

Related party company	Transactions in the year		Balance at the year end	
	2023 £	2022 £	2023 £	2022 £
Greenbreeze Holdings Limited				
Interest on shareholder loan	173,619	173,619	3,867,696	3,694,077
Invoices for fees	20,000	10,000	10,000	0
Consortium relief	26,215	0	38,882	65,097
Greenbreeze Energy Limited				
Invoices for fees	6,000	6,000	0	0
Consortium relief	23,388	0	389,810	339,794
Boardinghouse Windfarm Limited				
Group relief creditor	33,159	0	33,159	0
Recharge of audit and tax fees	9,702	16,895	9,702	8,820
Management fee	26,986	26,788	26,986	14,459
Dividends	1,657,432	371,622	-	-
TR Fenpower Limited				
Recharge of audit and tax fees	6,241	5,674	0	50,476
Consortium relief	4,415	0	9,734	5,319
Fenpower Limited				
Directors fees	9,314	8,419	0	2,145
Dividends received	870,588	0	0	0
Olympus Solar Holdings Limited				
Interest charged	81,244	80,075	1,448,881	1,408,678

35. Reconciliation of profit before income tax to cash generated from operations

	2023 £	2022 £
Profit before income tax	12,545,104	6,543,962
Adjustments for:		
Depreciation and amortisation charges	5,342,000	4,858,550
Interest on leases and decommissioning	250,936	67,337
Fair value adjustment on derivatives	323,530	(737,011)
Other income non-cash	–	(150,000)
Impairment non-cash	3,586,646	–
Finance costs	1,403,295	1,469,290
Finance income	(1,327,320)	(726,630)
	22,124,191	11,325,498
Share of profit/(loss) of associates	(904,768)	33,263
(Increase) in trade and other receivables	(3,018,998)	(1,193,037)
Increase in trade and other payables	749,797	534,056
Cash generated from operations	18,950,222	10,699,780

36. Cash and cash equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2023	**31 December 2023** **£**	**1 January 2023** **£**
Cash and cash equivalents	34,668,248	27,713,014

Year ended 31 December 2022	**31 December 2022** **£**	**1 January 2022** **£**
Cash and cash equivalents	27,713,014	28,991,669

37. Subsidiary undertakings

Details of the subsidiaries and other investments are as follows:

Name of company	Class	Owned	Country of Incorporation	Principal Activity
Thrive Renewables (Caton Moor) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Ness Point) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Sigurd) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Severn) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Beochlich) Limited	Ordinary	100%	England	Energy supply
Thrive Renewables (Haverigg II) Limited	Ordinary	100%	England	Energy supply
Brunel Wind Limited	Ordinary	100%	England	Holding Company
Thrive Renewables (HGL) Limited	Ordinary	100%	England	Dormant
Thrive Renewables (HL) Limited*	Ordinary	100%	England	Dormant
Thrive Renewables (HEL) Limited*	Ordinary	100%	England	Dormant
Thrive Renewables (Buchan) Limited	Ordinary	100%	England	Holding Company
Thrive Renewables (Dunfermline) Limited	Ordinary	100%	England	Energy supply
Thrive Renewables (Eye) Limited	Ordinary	100%	England	Energy supply
TR (Fenpower) Limited	Ordinary	50%	England	Holding Company
Fenpower Limited**	Ordinary	29%	England	Energy supply
Thrive Renewables (Bristol) Limited	Ordinary	100%	England	Holding Company
Thrive Renewables (Cambridge) Limited	Ordinary	100%	England	Holding Company
Thrive Renewables (March) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Auchtygills) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Clayfords) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Boardinghouse) Limited	Ordinary	100%	England	Holding Company
Thrive Renewables (Girvan) Limited	Ordinary	100%	England	Project development
Boardinghouse Windfarm Limited	Ordinary	75%	England	Energy supply
Green Breeze Energy (Holdings) Limited	Ordinary	50%	Scotland	Holding Company
Green Breeze Energy Limited*	Ordinary	50%	Scotland	Energy supply
Thrive Renewables (BESS Holdings) Limited - formerly Aura Power Energy Solutions Limited	Ordinary	99.5%	England	Holding Company
Thrive Renewables (Wicken) Limited	Ordinary	100%	England	Battery Storage Co
Feeder Grid Storage Limited*	Ordinary	100%	England	Battery Storage Co
Riding Sunbeams Apollo Limited	Ordinary	41%	England	Project development

37. Subsidiary undertakings continued

Name of company	Class	Owned	Country of Incorporation	Principal Activity
Geogen Limited	Ordinary	9.5%	England	Geothermal development
United Downs Geothermal Limited	Ordinary	20%	England	Geothermal Development
United Downs Lithium Limited	Ordinary	27.5%	England	Lithium Extraction Development
Olympus Solar Holdings Limited	Ordinary	12.5%	England	Holding Company

* ownership held indirectly
** ownership held indirectly until February 2023

The registered office of all subsidiaries and associates is Deanery Road, Bristol, Avon, BS1 5AS apart from:-

Green Breeze Energy (Holdings) Limited and Green Breeze Energy Limited - E Centre, Cooperage Way, Alloa, Clackmannashire, Scotland, FK10 3LP.

Geogen Limited, United Downs Geothermal and United Downs Lithium - United Downs Industrial Estate, St Day, Redruth, Cornwall TR16 5HY.

Olympus Solar Holdings Limited - The Sustainability Hub, Exeter EX6 7BE.

Fenpower Limited has 74 A shares, 74 B shares and 107 C shares all with £1 nominal value and all having equal voting and dividend rights. Thrive Renewables plc owns 100% of the B shares.

38. Post balance sheet events

On 31st January 2024, Thrive entered into a shareholder loan agreement with United Downs Lithium Ltd; a company in which Thrive owns 27.5% equity. As at 30 April 2024, the full loan of £760,000 has been drawn.

On 31st January 2024, Thrive paid the second and final tranche under the convertible loan agreement with United Downs Geothermal Ltd; a company in which Thrive owns 20.0% equity.

Thrive Renewables plc
Deanery Road
Bristol
BS1 5AS

www.thriverenewables.co.uk
info@thriverenewables.co.uk
0117 428 1850

@Thrive_R
linkedin.com/company/thrive-renewables
facebook.com/thriverenewables

Registered in England and Wales no. 02978651

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