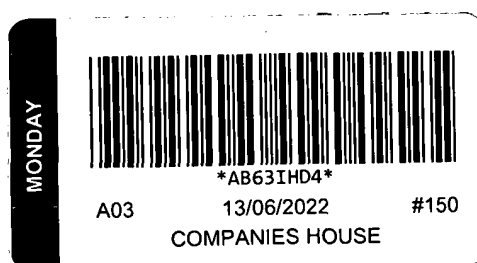


Registration number: 05017828

# Race Bank Wind Farm Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021



## **Race Bank Wind Farm Limited**

### **Contents**

Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 7
Independent Auditors' Report	8 to 11
Statement of Comprehensive Income	12
Statement of Financial Position	13 to 14
Statement of Changes in Equity	15
Statement of Cash Flows	16
Notes to the Financial Statements	17 to 46

## **Race Bank Wind Farm Limited**

### **Company Information**

<b>Directors</b>	Christoph Mertens Philip De Villiers David Murray Jonathan Duffy Jacob Hjelm Samuel James Claxton Adam Paul Schwarz
<b>Registered office</b>	5 Howick Place London England United Kingdom SW1P 1WG
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London England WC2N 6RH

## **Race Bank Wind Farm Limited**

### **Strategic Report for the Year Ended 31 December 2021**

The directors present their strategic report for the year ended 31 December 2021.

#### **Review of the business**

During the year the company continued electricity generation from its offshore site located 27 km north of Blakeney Point off the coast of Norfolk, and 28 km east of Chapel St Leonards off the Lincolnshire coast in the North Sea. The site comprises of 91 wind turbines, giving total installed capacity of 573MW.

During the year the company continued electricity generation from its offshore site. Commercial generation is expected to continue for the foreseeable future.

The Company's strategy is to maximise the lifetime value of the wind farm through active condition monitoring and maintenance to maintain high levels of availability and production. The Company has a long-term power offtake agreement which provides secure revenues from power sales.

The Company's strategic objectives are:

- Achieving zero accidents and breaches of environmental standards;
- Maximising energy production through high levels of availability;
- Maintaining long term asset condition and reliability; and
- Optimising costs.

#### **Principal risks and uncertainties**

The principal risk of the business relates to the ability of the company to run its operations in a financially efficient manner, which is mitigated through meeting its business objectives. Non-compliance with statutory Health, Safety, and Environment (HSE) obligations is also a principal risk. The Company operates a comprehensive HSE management system, and actively monitors its performance in order to identify and implement improvements.

#### **Key Performance Indicators and review of the year**

The company measures its performance in line with its strategic objectives. Key performance indicators (KPIs) are used to measure progress against agreed targets for safe, responsible and sustainable operations.

The company's key financial and other performance indicators during the year were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Revenue	216,440,194	210,962,027
Loss before tax	(2,410,014)	(2,182,362)
Company's net asset position	324,049,271	408,651,199

The company's key non-financial performance indicator is wind farm availability and level of safety and environmental cases. The level of availability is achieved by the company monitoring the effectiveness and efficiency of the wind farm on a regular basis. The level of safety and environmental cases are reviewed by the management on regular basis.

2021 Revenue increased due to indexation of electricity fee . Loss before tax increased due to higher administrative costs. Company net asset position is lower due to loss for the year and dividend payment.

## **Race Bank Wind Farm Limited**

### **Strategic Report for the Year Ended 31 December 2021**

#### **Section 172(1) statement**

The company's long-term plan is to generate fixed price revenue for its life and to decommission the wind farm after the economic life. The directors review this long-term plan, to date no decision have been made to change the long-term plan.

The company does not have any employees. The directors use service provider for all operational activities. The directors ensure that any service provider acts in due care towards its employees while working for the company including complying to the company's safety requirements.

The company fosters relationships through the selection of a reliable operations service provider which ensures its customers are supplied with uninterrupted supply of clean electricity during windy days.

The company produces green energy thus having a low carbon impact on the environment. The company has employed a service provider that is committed to operate with the aim to minimise carbon footprint and employs local community members to perform these tasks.

The company has committed to restore the seabed to its original form once the wind farm has reached its economic life.

The company has partnered with a reputable service provider to operate the wind farm on their behalf.

When making decisions the board considers how this will impact all shareholders and ensures preference is not given to any one shareholder.

The directors ensure they are complying with the above by reviewing the service provider's operations reports, wind farm production numbers and safety site reports.

#### **Engagement with employees**

The company has no employees, therefore the directors have appointed service providers that do engage with their employees on an ongoing and ethical way.

Approved by the Board on 7/6/2022 and signed on its behalf by:



Philip De Villiers  
Director



Jonathan Duffy (Jun 7, 2022 14:08 GMT+1)  
Jonathan Duffy  
Director

## **Race Bank Wind Farm Limited**

### **Directors' Report for the Year Ended 31 December 2021**

The directors present their report and the audited financial statements for the year ended 31 December 2021.

#### **Incorporation**

The company was incorporated in England on 16 January 2004 as a private company limited by shares under the Companies Act 2006. The address of its registered office is 5 Howick Place, London, SW1P 1WG, United Kingdom.

As at 31 December 2021, the company was owned by Race Bank Wind Farm (Holding) Limited (100%).

#### **Directors of the company**

The directors, who held office during the year, and up to the date of signing the financial statements were as follows:

Christoph Mertens

Philip De Villiers

Erin Eisenberg (resigned 23 February 2021)

David Murray

Jonathan Duffy

Jacob Hjelm

Samuel James Claxton

Adam Paul Schwarz

#### **Principal Activities**

The principal activity of the company is to operate an offshore wind farm.

#### **Financial Instruments**

The Company's activities are exposed to a variety of financial risks. Further information on financial risk management is in note 22 "Financial risk management and impairment of financial assets".

#### **Result for the year**

The Company's net result for the current financial year was a loss of £ 34,521,520 (2020: loss £25,976,997) moved to retained earnings.

#### **Dividend**

During the year a dividend of £50,080,408 (2020: £53,174,017) was paid. The directors do not recommend payment of a final dividend (2020: £0).

#### **Statement of business relationships**

Details of our engagement with our key stakeholders including suppliers and offtakers, is set out in the Section 172 statement in the Strategic report.

## **Race Bank Wind Farm Limited**

### **Directors' Report for the Year Ended 31 December 2021**

#### **Future developments**

Commercial generation is expected to continue until the end of the expected economic life of the wind farm, when the assets will be decommissioned.

#### **Climate change**

The physical and transitional risks of climate change have been considered for their impact on the company and the financial statements, including forward looking estimates, and determined not to be material.

#### **COVID-19**

On 30 January 2020, the International Health Regulations Emergency Committee of the World Health Organization declared the outbreak of COVID-19 a "Public Health Emergency of International Concern". The consequence of COVID-19, where many governments have decided to "close down countries" will have an impact on certain sectors of the world economy. Company operates in the essential sector.

In general, COVID-19 impacted the UK power market due to a lower demand for electricity which led to hours with negative prices from April to July, lower ROC recycle prices and higher balancing tariffs (BSUoS) from National Grid in 2020. This situation had a limited impact on company's financial performance during the year.

Since the outbreak of COVID-19 management continues to meet regularly, focusing on the health and safety of service providers' employees and on ensuring business continuity. The company's asset base has been fully operational and maintained normal availability rates. Management expects this to continue going forward.

#### **Political donations**

During the year the company made no political donations and no individual donations to UK or non UK political parties (2020: £-).

#### **Going concern**

The financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management has considered all available information about the future, which is at least 12 months from the date of approval of the financial statements.

Given the majority of revenues and costs are based on fixed contracts; the high levels of operating cash inflows; and there are no indications of any events that would result in significant one off payments by the Company, the directors have not identified any severe but plausible downside scenarios that would impact the going concern conclusion.

Repayments of the loan under the period of assessment are at the discretion of the directors as such their repayment does not lead to a risk of going concern.

The company pays dividends.

#### **Directors' liabilities**

The Company has in effect directors' indemnity insurance. This is a qualifying third party indemnity provision and was in force during the financial year and at the date of the approval of the financial statements.

## Race Bank Wind Farm Limited

### Directors' Report for the Year Ended 31 December 2021

#### Streamlined Energy and Carbon Reporting

The table below shows the company's total purchases of energy consumption during the year. The company has reported this energy consumption under Scope 2 per the UK Government Streamlined Energy and Carbon Reporting (SECR) requirements. Note all energy purchases are electricity and are for the company own consumption.

Company took part in a GRESB (Global Real Estate Sustainability Benchmarks) asset level sustainability assessment in the year and plans to continue to do so in foreseeable future in order to manage its emissions.

	<b>Total Purchases</b>	<b>Total Emissions</b>
	<b>kWh</b>	<b>tCO<sub>2</sub>e</b>
<b>Summary of Scope 2 - indirect emissions for the current year</b>	<b>2021</b>	<b>2021</b>
Electricity purchases - imports to offshore wind farm	3,639,022	773
	<b>2020</b>	<b>2020</b>
Electricity purchases - imports to offshore wind farm	3,924,324	915

Note table above consumption is converted based on government recommend rates, due to the difficulty in splitting out electricity purchased from the UK national grid at source level.

Prior year table has been updated with the most up to date data to aid comparison.

	<b>2021</b>	<b>2020</b>
Intensity ratio (tCO <sub>2</sub> e / kW)	0.14%	0.17%

Table above shows the company's emission as a percentage of total installed capacity of 546MW.



## Race Bank Wind Farm Limited

### Directors' Report for the Year Ended 31 December 2021

#### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable the UK-adopted international accounting standards have been followed, 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 company will continue in business.

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

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

#### 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 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 company's auditors are aware of that information.

#### Reappointment of auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Approved by the Board on 7/6/2022 and signed on its behalf by:



Philip De Villiers  
Director



Jonathan Duffy (Jun 7, 2022 14:08 GMT+1)

Jonathan Duffy  
Director

# **Independent auditors' report to the members of Race Bank Wind Farm Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Race Bank Wind Farm Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- 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 Statement of Financial Position as at 31 December 2021; the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **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 company 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 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 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.

## **Race Bank Wind Farm Limited**

### **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 2021 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 company and its 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 Statement of directors' responsibilities, 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 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 company or to cease operations, or have no realistic alternative but to do so.

## **Race Bank Wind Farm Limited**

### **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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the regulation of the renewable energy industry in the UK including those associated with health and safety, 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 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 the posting of inappropriate journal entries and management bias in the assessment of accounting estimates. Audit procedures performed by the engagement team included:

- enquiry of management and those charged with governance around actual and potential litigation and claims or fraud and any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- testing a selection of journal entries identified as exhibiting fraudulent characteristics;
- evaluating the business rationale of significant transactions outside the normal course of business; and
- challenging assumptions and judgements made by management in their significant accounting estimates.

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](http://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.

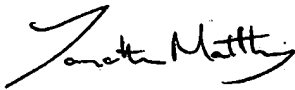
## Other required reporting

### **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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Matthews (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
08 June 2022

## Race Bank Wind Farm Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Revenue	4	216,440,194	210,962,027
Cost of sales		<u>(105,060,542)</u>	<u>(106,386,528)</u>
Gross profit		111,379,652	104,575,499
Administrative expenses		(59,161,789)	(52,003,021)
Other operating expense	5	<u>(3,437,358)</u>	<u>(3,211,280)</u>
Operating profit	6	<u>48,780,505</u>	<u>49,361,198</u>
Finance income	7	-	398,480
Finance costs	7	<u>(51,190,519)</u>	<u>(51,942,040)</u>
Net finance cost	7	<u>(51,190,519)</u>	<u>(51,543,560)</u>
Loss before tax		(2,410,014)	(2,182,362)
Income tax expense	10	<u>(32,111,506)</u>	<u>(23,794,635)</u>
Loss for the year		<u><u>(34,521,520)</u></u>	<u><u>(25,976,997)</u></u>

The above results were derived from continuing operations.

There were no other comprehensive income or expenses (2020: £-) during the year.

# Race Bank Wind Farm Limited

(Registration number: 05017828)

## Statement of Financial Position as at 31 December 2021

	Note	31 December 2021 £	31 December 2020 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	1,401,189,900	1,473,886,477
<b>Current assets</b>			
Trade and other receivables	12	39,251,777	20,077,494
Income tax asset	10	546,576	7,845,914
Cash and cash equivalents	13	23,944,705	51,535,470
		<u>63,743,058</u>	<u>79,458,878</u>
Total assets		<u>1,464,932,958</u>	<u>1,553,345,355</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	14	(202,832,410)	(202,832,410)
Share premium		(27,000,000)	(27,000,000)
Cash flow hedging reserve		(45,668)	(45,668)
Retained earnings		<u>(94,171,193)</u>	<u>(178,773,121)</u>
Total equity		<u>(324,049,271)</u>	<u>(408,651,199)</u>
<b>Non-current liabilities</b>			
Long term lease liabilities		(31,216,825)	(32,417,809)
Loans and borrowings	16	(938,726,199)	(962,228,569)
Provisions	18	(50,508,777)	(49,220,055)
Deferred tax liabilities	10	<u>(87,065,021)</u>	<u>(52,152,426)</u>
		<u>(1,107,516,822)</u>	<u>(1,096,018,859)</u>
<b>Current liabilities</b>			
Current portion of long term lease liabilities		(2,387,858)	(2,387,858)
Trade and other payables	19	<u>(30,979,007)</u>	<u>(46,287,439)</u>
		<u>(33,366,865)</u>	<u>(48,675,297)</u>
Total liabilities		<u>(1,140,883,687)</u>	<u>(1,144,694,156)</u>
Total equity and liabilities		<u>(1,464,932,958)</u>	<u>(1,553,345,355)</u>

The notes on pages 17 to 46 form an integral part of these financial statements.

**Race Bank Wind Farm Limited**

**(Registration number: 05017828)**

**Statement of Financial Position as at 31 December 2021**

The financial statements on pages 12 to 46 were approved by the Board of directors on 7/6/2022 and signed on its behalf by:



.....  
Philip De Villiers  
Director



Jonathan Duffy (Jun 7, 2022 14:08 GMT+1)

.....  
Jonathan Duffy  
Director



**Race Bank Wind Farm Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2021**

	Share capital £	Share premium £	Cash flow hedging reserve £	Retained earnings £	Total £
At 1 January 2021	202,832,410	27,000,000	45,668	178,773,121	408,651,199
Loss for the year	-	-	-	(34,521,520)	(34,521,520)
Total comprehensive expense	-	-	-	(34,521,520)	(34,521,520)
Dividends	-	-	-	(50,080,408)	(50,080,408)
At 31 December 2021	<u>202,832,410</u>	<u>27,000,000</u>	<u>45,668</u>	<u>94,171,193</u>	<u>324,049,271</u>

	Share capital £	Share premium £	Cash flow hedging reserve £	Retained earnings £	Total £
At 1 January 2020	202,832,410	27,000,000	45,668	257,924,135	487,802,213
Loss for the year	-	-	-	(25,976,997)	(25,976,997)
Total comprehensive expense	-	-	-	(25,976,997)	(25,976,997)
Dividends	-	-	-	(53,174,017)	(53,174,017)
At 31 December 2020	<u>202,832,410</u>	<u>27,000,000</u>	<u>45,668</u>	<u>178,773,121</u>	<u>408,651,199</u>

The notes on pages 17 to 46 form an integral part of these financial statements.

# Race Bank Wind Farm Limited

## Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Loss before tax for the year		(2,410,014)	(2,182,362)
<i>Adjustments to cash flows from non-cash items</i>			
Depreciation		71,305,721	71,729,045
Loss on disposal of property plant and equipment		-	308,637
Offshore transmission asset provision release		1,100,000	-
Finance income		-	(398,480)
Finance costs		51,190,519	51,942,040
		<u>121,186,226</u>	<u>121,398,880</u>
Working capital adjustments			
(Increase)/decrease in trade and other receivables	12	(19,174,283)	13,961,480
(Decrease)/increase in trade and other payables	19	<u>(15,308,432)</u>	<u>17,501,328</u>
Net cash flow generated from operating activities		<u>86,703,511</u>	<u>152,861,688</u>
<b>Cash flows from investing activities</b>			
Interest received		-	56,856
Acquisitions of property plant and equipment		<u>9,068,140</u>	<u>(12,883,358)</u>
Net cash flows generated from/(used in) investing activities		<u>9,068,140</u>	<u>(12,826,502)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(47,829,359)	(49,411,278)
Principle elements of lease payments		(2,387,858)	(7,894,592)
Repayment of other borrowing		(23,502,370)	(25,023,067)
Dividends paid	15	<u>(50,080,408)</u>	<u>(53,174,017)</u>
Net cash flows used in from financing activities		<u>(123,799,995)</u>	<u>(135,502,954)</u>
Net (decrease)/increase in cash and cash equivalents		(28,028,344)	4,532,232
Cash and cash equivalents at 1 January		51,535,470	46,995,756
Effect of exchange rate fluctuations on cash held		<u>437,579</u>	<u>7,482</u>
Cash and cash equivalents at 31 December		<u>23,944,705</u>	<u>51,535,470</u>

The notes on pages 17 to 46 form an integral part of these financial statements.

## **Race Bank Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

The company is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is:

5 Howick Place  
London  
England  
United Kingdom  
SW1P 1WG

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

The financial statements have been prepared in accordance with UK adopted International Accountings Standards in conformity with the requirements of the Companies Act 2006 under the historical cost convention, as modified by the revaluation of derivative financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with international accounting standards require the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The company's financial statements are presented in pound sterling, which is both the functional and presentation currency.

##### **Going concern**

The financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management has taken into account all available information about the future, which is at least 12 months from the date the financial statements were signed.

Given the majority of revenues and costs are based on fixed contracts; the high levels of operating cash inflows; and there are no indications of any events that would result in significant one off payments by the Company, the directors have not identified any severe but plausible downside scenarios that would impact the going concern conclusion.

## **Race Bank Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **2 Accounting policies (continued)**

##### **Changes in accounting policy**

##### **New standards, interpretations and amendments effective**

The management regularly assess the impact of new and amended IFRS standards and interpretations. New and amended IFRS standards and interpretations are implemented from their mandatory effective dates at the latest.

Effective from 1 January 2021, we have implemented the following new or amended standards (IAS and IFRS) and interpretations:

- 'Leases' - Covid-19 related rent concessions - amendments to IFRS 16; and
- Interest Rate Benchmark Reform - amendments to IFRS 9, IAS 39 IFRS 7, IFRS 4 and IFRS 16.

The adoption of the new and amended standards have not had a material impact on the entity in the current and prior reporting periods and are not expected to have a material impact in future reporting periods.

##### ***New standards and interpretations not yet adopted***

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

##### **Revenue recognition**

##### **Recognition**

The company earns revenue from the sale of electricity. This revenue is recognised in the accounting period when control of the product has been transferred, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

## **Race Bank Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **2 Accounting policies (continued)**

##### *Fee arrangements*

Below are details of fee arrangements and how these are measured and recognised, for revenue from the sale of products, and the provision of services:

The company has a fixed price power purchase agreement with its offtakers and it sells all its power generation and associated benefits under this agreement. These are invoiced on a monthly basis and payment terms are 30 days. No warranties are offered on sale of these power.

##### *Performance obligations*

The main performance obligations to customers consist of supply of electricity to the power offtaker through the OFTO (Offshore Transmission Owners) asset and national grid asset network. Due to the nature of power supply the business judgements made in evaluating when control has passed are limited.

##### *Transaction price*

The fixed transaction price is determined by the fixed price power purchase agreement.

##### *Contract assets and receivables*

Contract receivables (loans and advances) are recognised in the statement of financial position when the company's right to consideration becomes unconditional. Offtaker (customer) of power takes all of the power produced by the company on a monthly basis and pays a fixed tariff for power received.

Contract assets & receivables (loans and advances) are classified as current or non-current based on the company's normal operating cycle and are assessed for impairment at each reporting date.

##### *Contract liabilities*

Contract liabilities and customer deposits are recognised in the statement of financial position when the company has received consideration but still has an obligation to deliver products and meet performance obligations for that consideration.

##### *Net basis of measurement of contract balances*

Contract asset and contract liability positions are determined for each contract on a net basis. This is because the rights and obligations within each contract are considered inter-dependent. Where two contracts are with the same or related entities, an assessment is made of whether contract assets and liabilities are inter-dependent and if so, contract balances are reported net.

## **Race Bank Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **2 Accounting policies (continued)**

##### *Impairment of contract related balances*

At each reporting date, the company determines whether or not such assets are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant contracts or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific KPIs that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

##### **Tax**

Tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date in the countries where the company operates and generates taxable income.

Deferred tax is measured using the balance sheet liability method, providing for all temporary differences between the carrying amounts and the tax base of assets and liabilities.

Deferred tax is measured on the basis of management's planned use of the asset or settlement of the liability respectively. Deferred tax assets are recognised at the value at which they are expected to be utilised either by elimination against tax on future earnings or by offsetting against deferred tax liabilities.

Deferred tax is measured in accordance with the tax rules and tax rates that will apply under the legislation enacted at the balance sheet date when the deferred tax is expected to crystallise in the form of current tax. Changes in deferred tax as a result of changes in tax rates are recognised in profit (loss) for the year.

Deferred tax is only recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences, unused tax losses or credits can be utilised.

Income tax asset/(liability) includes receivables/(payables) from group companies where group relief/consortium relief has been applied.

## **Race Bank Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **2 Accounting policies (continued)**

##### **Property, plant and equipment**

Property, plant and equipment is included in the balance sheet at historical cost, less accumulated depreciation and impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition. Capitalisation begins when expenditure for the asset is incurred and activities that are necessary to prepare the asset for use are in progress. Capitalisation ceases when substantially all the activities necessary to prepare the asset for use are complete. Depreciation commences at the point of commercial deployment.

Borrowing costs relating to both specific and general borrowing directly attributable to assets under construction with a lengthy construction period are recognised in cost during the construction period.

Subsequent costs, for example in connection with replacement of parts of an item of property, plant and equipment, are recognised in the carrying amount of the asset in question when it is probable that future economic benefits will flow to the Company from the expenses incurred. Replaced parts are derecognised from the balance sheet, and their carrying amount is recognised in profit (loss) for the year. All other repair and maintenance expenses are recognised in profit (loss) for the year as incurred.

##### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Assets under construction (AUC)	Not depreciated
Decommissioning asset	Straight line method over 24 years
Right of use asset	Straight line method over 24 years
Wind farm	Straight line method over 24 years

##### **Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

##### **Trade receivables**

Trade receivables are amounts due from customers for electricity sales. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## **Race Bank Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **2 Accounting policies (continued)**

##### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Borrowings**

Borrowings are held solely for the purpose of collection of principle and interest.

All borrowings are initially recorded at the fair value of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the statement of comprehensive income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### **Provisions**

###### **General**

Provisions are recognised when, as a result of an event occurring before or at the balance sheet date, the company has a legal or constructive obligation, the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. A provision for onerous contracts is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

###### **Decommissioning provision**

Decommissioning obligations are measured at the present value of the future liability in respect of decommissioning and restoration as expected at the balance sheet date. An associated decommissioning asset for the value of the provision is recognised in property, plant and equipment and depreciated together with the associated asset. The decommissioning asset is amortised on a straight-line basis over the useful economic life of the associated asset. The increase in time of the present value of the provision is recognised in profit (loss) for the year as finance expenses.



## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 2 Accounting policies (continued)

##### Leases

###### *Definition*

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the company has the right to:

- Obtain substantially all the economic benefits from the use of the underlying asset, and;
- Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used)

###### *Initial recognition and measurement*

The company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

###### *Subsequent measurement*

After the commencement date, the company measures the lease liability by:

- (a) Increasing the carrying amount to reflect interest on the lease liability;
- (b) Reducing the carrying amount to reflect the lease payments made; and
- (c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

## **Race Bank Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **2 Accounting policies (continued)**

##### *Lease modifications*

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

- (a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

##### *Short term and low value leases*

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

##### *Sub leases*

If an underlying asset is re-leased by the company to a third party and the company retains the primary obligation under the original lease, the transaction is deemed to be a sublease. The company continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria applicable to Lessor Accounting in IFRS 16 by reference to the right-of-use asset in the head lease (and not the underlying asset of the head lease).

After classification lessor accounting is applied to the sublease.

## **Race Bank Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **2 Accounting policies (continued)**

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Interim dividends are recognised when paid.

##### **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Production assets are tested for impairment if there is any indication of impairment. For production assets with a limited lifetime as wind turbines, cash flows are calculated based on forecasts for the entire lifetime of the asset. The determination of the recoverable amount for production assets is based on a number of assumptions. Such assumptions include future market conditions, market prices, electricity, weighted average cost of capital (WACC) and exchange rates.

##### *Foreign currency transactions and balances*

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference.

##### *Financial assets and liabilities*

Financial instruments are used for various purposes. The purpose determines the category, and whether the value adjustment of the instrument should be recognised in the profit/(loss) for the year or as part of the hedging reserve in equity.

## **Race Bank Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **2 Accounting policies (continued)**

##### *Financial assets*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through statement of comprehensive income, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through statement of comprehensive income are expensed in profit or loss.

The fair value of financial instruments measured at amortised cost is identical to the carrying amount with the exception of loans.

##### *Impairment*

The company has three types of financial assets that are subject to the expected credit loss model:

- trade receivables;
- contract assets; and
- debt investments carried at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

##### *Trade receivables and contract assets*

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract asset credit risk characteristics and the days past due. The contract assets have been grouped based on shared substantially the same risk characteristics as the trade receivables for the same types of contracts. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rate is based on an assessment of the historical rates for default. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

## **Race Bank Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **2 Accounting policies (continued)**

##### *Debt investments*

We keep our receivables until maturity, and they are therefore measured at amortised cost. All of the entity's debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. These instruments are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

##### *Financial liabilities*

The company classifies its financial liabilities in the following categories:

- financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value), and
- other financial liabilities at amortized cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities at amortized cost include trade and other payables, loans and borrowings including bank overdrafts.

The fair value of financial instruments measured at amortised cost is identical to the carrying amount with the exception of long-term loans. Short term interest bearing borrowings of a short term nature that carry interest at floating rates are not amortised at the effective interest rate as their carrying value approximates their fair value on initial recognition.

After initial recognition, long term interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Judgements In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 3 Critical accounting judgements and key sources of estimation uncertainty (continued)

##### Useful lives of production assets

The end of life of the wind farm is a key judgement and input into the calculations for leases, depreciation, and decommissioning. It is also a key judgement in our impairment assessments for property, plant and equipment. Changes to the end of life could materially impact these calculations and assessments. The current expectation is that the wind farm will operate until 2040 at which point it will be decommissioned. This aligns to the remaining expected operating life of the wind turbines.

##### Decommissioning provisions

Estimates of decommissioning obligations are based on management's expectations concerning timing and scope, future cost level, and adopted laws and regulations on decommissioning. The timing of decommissioning obligations depends on the useful lives of the assets. In determining the discounting of decommissioning obligations at 31 December 2021, a discount rate of 3.5% is applied (31 December 2020: 3.5%). The applied discount rate of 3.5% is expected to be applied over a prolonged period. The rate has been estimated on the basis of expectations concerning the future, long-term interest rate level, based on the historical interest rate level. The extent to which decommissioning and restoration will be required is estimated based on current legislation and standards in this area. Expectations concerning the future cost level are based on variables such as expectations concerning the general price trend, demand conditions and the development in existing technologies.

#### 4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Sale of electricity	215,004,330	209,723,886
Other revenue	1,435,864	1,238,141
	<u>216,440,194</u>	<u>210,962,027</u>

The company has a fixed price power purchase agreement with its offtakers and it sells all its power generation and associated benefits under this agreement. These are invoiced on a monthly basis and payment terms are 30 days. No warranties are offered on sale of these power.

The company has a fixed price power purchase agreement with Firebolt RB Limited and Orsted Race Bank (Holdings) Limited and it sells all its generated power and associated benefits under this agreement.

The total revenue of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 4 Revenue (continued)

Timing of revenue recognition from customers :

	2021 £	2020 £
Over time	216,440,194	210,962,027

The timing of transfer of goods or services to customers is categorised as follows:

- 'At a point in time' mainly comprises of transmission asset for offshore wind farms.
- 'Over time' mainly comprises of long-term contracts with customers to deliver of electricity power.

#### 5 Other operating expense

The analysis of the company's other operating income for the year is as follows:

	2021 £	2020 £
Other operating expense	<u>(3,437,358)</u>	<u>(3,211,280)</u>

Other operating expense relates to compensation paid during the year for exceeding performance of certain contractual requirements, by one of the Company's trading vendors.

#### 6 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	71,305,723	71,729,045
Foreign exchange losses/(gains)	<u>460,734</u>	<u>(341,624)</u>

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 7 Net finance cost

	2021 £	2020 £
<b>Finance income</b>		
Interest income on bank deposits	-	56,856
Foreign exchange gain	-	341,624
Total finance income	-	398,480
<b>Finance costs</b>		
Interest on bank overdrafts and borrowings	(36,312)	(41,848)
Interest on loans from group undertakings	(47,793,049)	(49,304,549)
Unwinding of discount on decommissioning provision	(1,713,552)	(1,630,175)
Other interest	-	(8,206)
Interest expense on leases	(1,186,872)	(957,262)
Foreign exchange losses	(460,734)	-
Total finance costs	(51,190,519)	(51,942,040)
Net finance costs	(51,190,519)	(51,543,560)

#### 8 Employees and directors

There were no (2020: nil) employees during the year. The directors received no (2020: £-) emoluments during the year, in respect of qualifying services to the company.

The directors appointed by Firebolt RB Holdings Limited are remunerated through the group structure. It is not possible to allocate these directors remuneration for their services to the company.

The directors appointed by the Ørsted group are remunerated by other companies within the Ørsted group for their services to the group as a whole.

#### 9 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	20,000	15,000

There has been no non-audit remuneration in the year and prior year.



## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 10 Income tax expense

Tax charged in the income statement

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax adjustment to prior periods	(2,801,089)	(1,307,386)
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	(670,601)	(257,403)
Arising from changes in tax rates and laws	21,056,549	5,516,824
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>14,526,647</u>	<u>19,842,600</u>
Total deferred taxation	<u>34,912,595</u>	<u>25,102,021</u>
Tax expense in the income statement	<u><u>32,111,506</u></u>	<u><u>23,794,635</u></u>

The tax on (loss)/profit for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Loss before tax	<u>(2,410,014)</u>	<u>(2,182,362)</u>
Corporation tax at standard rate	(457,903)	(414,649)
(Decrease)/increase from effect of expenses not deductible in determining (tax loss)/taxable profit	(51,754)	157,246
Adjustments in respect of prior periods	11,725,558	18,535,214
Deferred tax expense relating to changes in tax rates or laws	<u>20,895,605</u>	<u>5,516,824</u>
Total tax charge	<u><u>32,111,506</u></u>	<u><u>23,794,635</u></u>

Factors that might affect future tax charges:

The main rate of UK corporation tax in the year was 19%. During the year, legislation was enacted to increase the corporation tax rate from 19% to 25% on 1 April 2023.

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 10 Income tax expense (continued)

##### Deferred tax

Deferred tax movement during the year:

	At 1 January 2021	Recognised in income	At 31 December 2021
	£	£	£
Accelerated tax depreciation	(119,933,215)	(54,367,841)	(174,301,056)
Provisions	2,321,210	1,603,558	3,924,768
Tax losses carry-forwards	65,459,580	17,851,688	83,311,268
Net tax assets/(liabilities)	<u>(52,152,426)</u>	<u>(34,912,595)</u>	<u>(87,065,021)</u>

Deferred tax movement during the prior year:

	At 1 January 2020	Recognised in income	At 31 December 2020
	£	£	£
Accelerated tax depreciation	(92,765,889)	(27,167,326)	(119,933,215)
Provisions	1,498,778	822,432	2,321,210
Tax losses carry-forwards	64,216,707	1,242,873	65,459,580
Net tax assets/(liabilities)	<u>(27,050,404)</u>	<u>(25,102,022)</u>	<u>(52,152,426)</u>

The deferred tax asset is recognised in the financial statements as the company finds it probable that the tax losses will be utilised in the foreseeable future.

	2021	2020
	£	£
<i>The provision for deferred tax consists of the following :</i>		
Deferred tax assets due within 12 months	-	-
Deferred tax liabilities due within 12 months	-	(784,895)
<b>Carrying amount at end of year</b>	<u>-</u>	<u>(784,895)</u>
Deferred tax assets due in more than 12 months	87,236,036	67,780,790
Deferred tax liabilities due in more than 12 months	(174,301,057)	(119,148,321)
<b>Carrying amount at end of year</b>	<u>(87,065,021)</u>	<u>(51,367,531)</u>
<b>Total carrying amount at end of year</b>	<u>87,065,021</u>	<u>52,152,426</u>

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 10 Income tax expense (continued)

Deferred tax assets are supported by temporary differences from provisions, future taxable profits against which tax losses carried forward can be utilised and the application of group relief/consortium relief.

#### 11 Property, plant and equipment

	Right of use asset £	Decommissioning assets £	Assets under construction £	Wind farm £	Total £
<b>Cost</b>					
At 1 January 2020	44,984,727	42,480,322	16,946,566	1,597,575,612	1,701,987,227
Decrease in decommissioning	-	(103,549)	-	-	(103,549)
Additions	-	-	7,630,124	-	7,630,124
Other	(7,894,594)	-	-	-	(7,894,594)
At 31 December 2020	37,090,133	42,376,773	24,576,690	1,597,575,612	1,701,619,208
At 1 January 2021	37,090,133	42,376,773	24,576,690	1,597,575,612	1,701,619,208
Increase in decommissioning	-	675,170	-	-	675,170
Additions	-	-	(2,127,076)	61,050	(2,066,026)
At 31 December 2021	37,090,133	43,051,943	22,449,614	1,597,636,662	1,700,228,352
<b>Accumulated depreciation</b>					
At 1 January 2020	1,999,321	4,703,235	-	149,301,128	156,003,684
Charge for year	1,911,603	1,770,379	-	68,661,088	72,343,070
Other	(614,023)	-	-	-	(614,023)
At 31 December 2020	3,296,901	6,473,614	-	217,962,216	227,732,731
At 1 January 2021	3,296,901	6,473,614	-	217,962,216	227,732,731
Charge for the year	1,648,450	1,768,626	-	67,888,645	71,305,721
At 31 December 2021	4,945,351	8,242,240	-	285,850,861	299,038,452
<b>Carrying amount</b>					
At 31 December 2021	32,144,782	34,809,703	22,449,614	1,311,785,801	1,401,189,900
At 31 December 2020	33,793,232	35,903,159	24,576,690	1,379,613,396	1,473,886,477

Right of use assets comprise seabed lease.

The depreciation charge for the year of £71,305,721 (2020 - £72,343,070) and other charges of £ - (2020 - £614,023) are included in cost of sales.

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 12 Trade and other receivables

	31 December 2021 £	31 December 2020 £
Trade receivables	1,282,262	657,337
Receivables from related parties	36,729,268	17,419,903
Prepayments	331,259	1,179,486
Other receivables	908,988	820,768
	<u>39,251,777</u>	<u>20,077,494</u>

Other receivables mainly relates to deposits and VAT receivable.

The company's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in note 23 "Financial risk management and impairment of financial assets".

#### 13 Cash and cash equivalents

	31 December 2021 £	31 December 2020 £
Cash at bank	<u>23,944,705</u>	<u>51,535,470</u>

The company's cash at bank is classified as financial asset at amortised costs.

#### 14 Share capital

##### Allotted, called up and fully paid shares

	2021 No.	£	2020 No.	£
Ordinary shares of £1 each	<u>202,832,410</u>	<u>202,832,410</u>	<u>202,832,410</u>	<u>202,832,410</u>

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding-up) rights. They do not confer any rights of redemption.

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 15 Dividends

	31 December 2021 £	31 December 2020 £
Interim dividend of £0.2469 (2020: £0.2622) per each ordinary share	<u>50,080,408</u>	<u>53,174,017</u>

The aggregate amount of the dividends declared and paid out after the reporting date but not recognised as liability at 31 December 2021 is £ 18,615,312.

#### 16 Loans and borrowings

	31 December 2021 £	31 December 2020 £
<b>Non-current loans and borrowings</b>		
Other borrowings	<u>938,726,199</u>	<u>962,228,569</u>

The non-current borrowing held with shareholders is an unsecured loan £938,726,199 (2020 : £962,228,569), interest is charged at 5% per annum, which is broken down into various funding portions, namely the generation asset capital expenditure and the working capital portion.

The capital expenditure loan is repayable before the twenty fourth anniversary of the commercial operation start date, expected to be January 2042.

Other borrowings are shareholder's loans payable to related parties.

The aggregate amount of the loan paid out after the reporting date but not recognised as liability at 31 December 2021 is £8,760,148

The company's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in note 23 "Financial risk management and impairment of financial assets".

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 17 Leases

##### Lease liabilities

	31 December 2021 £	31 December 2020 £
Current portion of long term lease liabilities	2,387,858	2,387,858
Long term lease liabilities	<u>31,216,825</u>	<u>32,417,809</u>

Seabed leases include variable lease payments which depend on the number of megawatt hours generated. However, we have typically agreed on minimum lease payments for the seabeds and these minimum payments are included in the lease liabilities.

The terms of the seabed lease allow it to continue for 50 years from inception with a break clause which can be actioned before the lease expires. This break clause requires a notice period of 3 years before the expiration of the lease. A lease period aligned to the life of the wind farm is used. See Note 3 for further details.

##### Right of use assets

	Seabed lease £	Right of use asset £
Carrying amount at 1 January 2021	<u>33,793,232</u>	<u>33,793,232</u>
Depreciation	(1,648,450)	(1,648,450)
Carrying amount at 31 December 2021	32,144,782	32,144,782

	Seabed lease £	Right of use asset £
Carrying amount at 1 January 2020	42,985,406	42,985,406
Other	<u>(7,894,594)</u>	<u>(7,894,594)</u>
Depreciation	(1,911,603)	(1,911,603)
Other	614,024	-
Carrying amount at 31 December 2020	<u>33,793,232</u>	<u>33,179,209</u>

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 17 Leases (continued)

##### Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>£</b>	<b>£</b>
Within one year	2,387,858	2,387,858
In one to five years	9,551,432	11,939,290
In over five years	<u>34,623,941</u>	<u>34,623,941</u>
Total lease liabilities (undiscounted)	<u>46,563,231</u>	<u>48,951,089</u>

##### Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Payment</b>		
Lease payments	<u>3,177,362</u>	<u>3,470,025</u>

Finance charge on leases going through Statement of Comprehensive Income is disclosed in note 7 'Finance expenses'.

Depreciation charge on right of use asset is disclosed in note 11 'Property, plant and equipment'.

Variable amount of the lease payments exceeding the minimum lease payments amounts to £789,504 (2020:£1,082,167)

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 18 Provisions

	Other £	Decommissioning £	Total £
At 1 January 2021	1,100,000	48,120,055	49,220,055
Change in estimates	-	675,170	675,170
Provision released as unused	(1,100,000)	-	(1,100,000)
Charged to the statement of comprehensive income	-	1,713,552	1,713,552
At 31 December 2021	-	50,508,777	50,508,777
Non-current liabilities	-	50,508,777	50,508,777
	Other £	Decommissioning £	Total £
At 1 January 2020	1,100,000	46,593,429	47,693,429
Other	-	(103,549)	(103,549)
Charged to the statement of comprehensive income	-	1,630,175	1,630,175
At 31 December 2020	1,100,000	48,120,055	49,220,055
Non-current liabilities	1,100,000	48,120,055	49,220,055

The Decommissioning provision is calculated as the present value of estimated decommissioning costs using a discount rate of 3.50%(2020: 3.50%). Included within fixed assets is an amount of £34,809,703(2020: £35,903,160) which reflects the company's expectation to recover future decommissioning costs from sales of electricity during 2021 and future years. The decommissioning asset is being depreciated over the expected life of the wind farm.

Other provision is made up of offshore transmission asset construction obligations payable to the purchaser of offshore transmission asset if agreed upon defects occur.



## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 19 Trade and other payables

	31 December 2021 £	31 December 2020 £
Trade payables	21,454	325,003
Accrued expenses	3,409,685	13,264,070
Amounts due to related parties	18,877,176	23,970,144
Other payables	8,670,692	8,728,222
	<u>30,979,007</u>	<u>46,287,439</u>

Trade and other payables are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

The company's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables which are composed of accruals for operating costs is disclosed in note 24 "Financial risk management and impairment of financial assets".

#### 20 Classification of financial and non-financial assets and financial and non-financial liabilities

The classification of financial assets and financial liabilities by accounting categorisation for the period ending 31 December 2021 and 2020 was as follows:

	Carrying amount		Fair value	
	2021 £	2020 £	2021 £	2020 £
<b>Financial assets at amortized cost</b>				
Trade receivables	1,282,262	657,337	1,282,262	657,337
Receivables from related parties	36,729,268	17,419,903	36,729,268	17,419,903
Cash and short-term deposits	23,944,705	51,535,470	23,944,705	51,535,470
Deposits	145,289	145,289	145,289	145,289
<b>Financial liabilities at amortized cost</b>				
Trade payables	(21,454)	(325,003)	(21,454)	(325,003)
Amounts due to related parties	(18,877,176)	(23,970,144)	(18,877,176)	(23,970,144)
Loans and borrowings	(938,726,199)	(962,228,569)	(1,176,929,002)	(1,204,116,601)
Other payables	(8,670,489)	(8,728,019)	(8,670,489)	(8,728,019)

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 20 Classification of financial and non-financial assets and financial and non-financial liabilities (continued)

##### Trade receivables

Due to the short-term nature of current receivables, their carrying amount is considered to be the same as fair value.

Trade receivables are interest free, unsecured and repayment dates.

##### Receivables from related parties

Due to the short-term nature of current receivables, their carrying amount is considered to be the same as fair value.

Receivables from related parties are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

##### Cash and cash equivalents

Cash and cash equivalents are unsecured with a short credit period and are therefore considered to have a fair value equal to the carrying amount. They are classified at level 2 in the fair value hierarchy.

##### Trade payables

Trade payables are unsecured, interest free and are usually paid within 30 days of recognition. Due to the short-term nature of trade payables, their carrying amount is considered to be the same as fair value.

##### Amounts due to related parties

The fair value of amounts due to related parties is considered to be the same as the carrying amount since the interest payable is either close to current market rates.

Amounts due to related parties are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

##### Loans and borrowings

The fair value of loans and borrowings is based on discounted cash flows using a current borrowing rate. They are classified at level 2 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk

#### 21 Reconciliation of liabilities arising from financing activities

	1 January 2021	Cashflows	Non-cash changes		31 December 2021
	£	£	Interest accrued	Other	£
Loans and borrowings	(962,228,569)	23,502,370	-	-	(938,726,199)
Lease liability	(34,805,667)	2,387,856	-	(1,186,872)	(33,604,683)

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 21 Reconciliation of liabilities arising from financing activities (continued)

	1 January 2020	Cashflows	Non-cash changes		31 December 2020
			Interest accrued	Other	
	£	£	£	£	£
Loans and borrowings	(987,316,517)	76,962,314	(51,874,366)	-	(962,228,569)
Lease liability	(44,130,855)	3,470,025	(2,039,431)	7,894,549	(34,805,667)

#### 22 Financial risk management and impairment of financial assets

The company is exposed through its operations to the following financial risks:

Market risk  
Credit risk and  
Liquidity risk

The company is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the company's continuing profitability.

The company's senior management over the management of these risks. Management reviews and agrees policies for managing each of these risks, which are summarised below.

There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

During the year the company did not use derivative financial instruments to hedge risk exposures.

##### 1. Market risk

Market risk includes interest risk and foreign exchange risk.

##### Interest rate risk

The company's payables and receivables to the parent company and other group companies are interests free. The lease arrangements are based on internal rate of the arrangements and are not affected by changes in interest rate levels. Bank deposits are subject to variable interest rates which are currently 0.0% (0.0%). The carrying amounts of recognized financial assets or liabilities will not change significantly subject to changes in interest rate levels and a 1% rise or fall in interest rates will increase or decrease the net financial cost with £ 9,622,286.

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 22 Financial risk management and impairment of financial assets (continued)

##### Foreign currency risk

The company has only limited assets or liabilities in foreign currency. Also, the company has limited sales or purchase transactions in foreign currencies. As a result of this, the company's exposure to foreign exchange rate risks is very limited.

##### 2. Credit risk

Credit risk arises primarily from credit exposures to customers, from cash and cash equivalents with banks and financial institutions and receivables from parent and other group companies. Most of the business is based on subscriptions and prepayments which makes the risk of losses on receivables low. Customers' credit ratings are used to determine credit limits and management monitors the utilization of credit risks on an ongoing basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties. The Company's maximum credit risk corresponds to the carrying amount of receivables and cash and cash equivalents.

##### 3. Liquidity risk

The company generates sufficient positive cash flows to service its liabilities and planned development. Surplus cash is declared as dividend or used to pay off existing loans. Capital management is carried out to ensure low risk. Management monitors funding and liquidity and ensures the availability of required liquidity through cash management and committed facilities. The company's liquidity risk is primarily related to intercompany debt. It is the company's policy to ensure adequate liquidity to satisfy their obligations to the group companies.

The table below represents the best assessment of when repayment will be made.

##### Maturity analysis

##### 31 December 2021

A maturity analysis of the interest bearing debt and short-term debt based on undiscounted gross cash flow is reported in the table below:

	Amounts due to related parties	Other payables	Interest bearing borrowings	Total
	£	£	£	£
Between 1 and 3 months	18,898,630	8,670,692	18,558,299	46,127,621
Within 6 months	-	-	19,128,252	19,128,252
Between 6 months and 1 year	-	-	38,316,767	38,316,767
Between 1 and 2 years	-	-	76,059,638	76,059,638
Between 2 and 5 years	-	-	227,432,725	227,432,725
After more than 5 years	-	-	1,075,234,567	1,075,234,567
	<u>18,898,630</u>	<u>8,670,692</u>	<u>1,454,730,248</u>	<u>1,482,299,570</u>

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 22 Financial risk management and impairment of financial assets (continued)

##### 31 December 2020

	Amounts due to related parties	Other payables	Interest bearing borrowings	Total
	£	£	£	£
Between 1 and 3 months	24,295,148	8,728,222	-	33,023,370
Within 6 months	-	-	-	-
Between 6 months and 1 year	-	-	70,989,084	70,989,084
Between 1 and 2 years	-	-	75,809,399	75,809,399
Between 2 and 5 years	-	-	227,029,618	227,029,618
After more than 5 years	-	-	1,144,522,313	1,144,522,313
	<u>24,295,148</u>	<u>8,728,222</u>	<u>1,518,350,414</u>	<u>1,551,373,784</u>

The above maturity analysis is based on the maximum amount that could be repaid subject to the availability of cash in the company.

#### Capital risk management

##### Capital components

The Company defines its capital as equity, as presented in the statement of changes in equity. In order to maintain or adjust the capital structure, the Company may return capital to the shareholder or issue new shares.

##### Capital management

The company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The management monitor and review the broad structure of the company's capital on an on-going basis.

Equity of the company at 31 December 2021 amounted to £324,049,271 (2020 £408,651,199).

# **Race Bank Wind Farm Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

### **23 Related party transactions**

	<b>Race Bank Wind Farm (Holding) Limited (Parent holding company )</b>	<b>Firebolt RB Limited (Investor holding company)</b>	<b>Orsted Race Bank Holdings Limited (Investor holding company)</b>	<b>Orsted Wind Power A/S</b>	<b>Other Orsted Group companies</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Transactions</b>					
Power sales and rendering of services	-	107,238,139	107,238,139	-	-
Purchase of goods and services	-	-	-	54,965,464	-
Finance income	-	-	-	-	-
Finance expense	-	23,818,446	23,818,446	137,808	33,067
Borrowings (Repayments)	-	11,783,625	11,783,625	-	-
<b>Balance outstanding at balance sheet date</b>					
Trade and other receivables	-	18,364,610	18,364,610	-	-
Trade and other payables	-	1,921,889	1,921,889	14,956,098	77,252
Borrowings	-	469,363,099	469,363,099	-	-

## Race Bank Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 23 Related party transactions (continued)

	Race Bank Wind Farm (Holding) Limited (Parent holding company)	Firebolt RB Limited (Investor holding company)	Orsted Race Bank Holdings Limited (Investor holding company)	Orsted Wind Power A/S	Other Orsted Group companies
	2020	2020	2020	2020	2020
	£	£	£	£	£
<b>Transactions</b>					
Power sales and rendering of services	-	102,568,267	102,568,267	45,212	1,406,303
Purchase of goods and services	-	-	-	40,229,172	-
Purchase of assets	-	-	-	-	-
Finance income	-	-	-	32,751	3,928
Finance expense	-	24,548,782	24,548,782	251,321	33,774
Borrowings (Net of Proceeds and repayments)	-	12,511,534	12,511,534	-	-
<b>Balance outstanding at balance sheet date</b>					
Trade and other receivables	-	8,526,820	8,526,820	-	366,264
Trade and other payables	-	2,032,064	2,032,064	19,504,203	401,813
Borrowings	-	481,114,284	481,114,285	-	-

Included in finance expense above is a related party guarantee £312,311 (2020 : £413,965) to Orsted Race Bank Holding Limited 50% and Firebolt RB Limited 50%

## **Race Bank Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **24 Parent and ultimate parent undertaking**

The immediate parent company is Race Bank Wind Farm (Holding) Limited, which is owned by Orsted Race Bank (Holding) Limited (50%) and Firebolt RB Holdings Limited (50%).

Firebolt RB Holdings Limited is owned by MEIF 5 RB Holdings SARL (50%) incorporated and registered in Luxembourg (ultimately Macquarie Group Limited incorporated and registered in Australia), Vintners RB Holdings (25%), Greenco Alpha Ltd (12,5%) and Greenco Beta Ltd (12,5%).

The Company's ultimate parent company is Orsted A/S, incorporated and registered in Denmark. The Danish State currently holds 50.1% (2020: 50.1%) of the share capital of Orsted A/S and therefore the company considers the Danish Ministry of Finance the ultimate controlling party.

Copies of the Orsted A/S (the smallest and largest group in which the results of the company are consolidated are those headed by Orsted A/S) consolidated financial statements may be obtained from the Company Secretary at :

Orsted A/S  
Kraftværksvej 53  
Skærbæk, 7000 Fredericia  
Denmark.