

OSW Co Holdings 3 Limited

Annual Report and Audited Financial Statements

for the period ended 31 March 2020

Registered company number 12146891



OSW Co Holdings 3 Limited

Annual Report and Audited Financial Statements for the period ended 31 March 2020

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OSW Co Holdings 3 Limited

Annual Report and Audited Financial Statements for the period ended 31 March 2020

COMPANY INFORMATION

OSW Co Holdings 3 Limited ("the Company") is a private company, limited by shares, domiciled in England and Wales, United Kingdom. The Company was incorporated on 8 August 2019 in the United Kingdom, with Company number: 12146891

Board of directors

Erin Kate Eisenberg	(appointed on 8 August 2019)
Tom Kelly	(appointed on 8 August 2019)
Jonathan Brazier Duffy	(appointed on 8 August 2019)
Peter John Stalley	(appointed on 25 September 2019)
David Paul Tilstone	(appointed on 22 June 2020)
Richard Abel	(resigned on 22 June 2020)
Stephen Alan John Deeley	(resigned on 24 September 2019)
Roberto Purcaro	(resigned on 24 September 2019)

Company secretaries

Dominic Tan

Alter Domus (UK) Limited
18 St. Swithin's Lane
London
EC4N 8AD
United Kingdom

Registered office

18 St. Swithin's Lane
London
EC4N 8AD
United Kingdom

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH
United Kingdom

Company number

12146891

OSW Co Holdings 3 Limited

Annual Report and Audited Financial Statements for the period ended 31 March 2020

DIRECTORS' REPORT

The directors of OSW Co Holdings 3 Limited (the "Company") present their annual report and audited financial statements (the "Annual Report and Audited Financial Statements") for the period ended 31 March 2020.

Incorporation

The Company was incorporated in England and Wales on 8 August 2019 as a private company limited by shares. The address of its registered office is 18 St. Swithin's Lane, London, EC4N 8AD, United Kingdom.

Directors and their interests

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

Erin Kate Eisenberg	(appointed on 8 August 2019)
Tom Kelly	(appointed on 8 August 2019)
Jonathan Brazier Duffy	(appointed on 8 August 2019)
Peter John Stalley	(appointed on 25 September 2019)
David Paul Tilstone	(appointed on 22 June 2020)
Richard Abel	(resigned on 22 June 2020)
Stephen Alan John Deeley	(resigned on 24 September 2019)
Mark Jonathan Dooley	(resigned on 24 September 2019)
Roberto Purcaro	(resigned on 24 September 2019)

Principal activities

The principal activity of the Company is that of an investment holding company.

Financial risk management objectives and policies

The principal financial risks and uncertainties that the Company faces and how the Company manages these risks are discussed in note 10 of the financial statements.

Results

The Company's total comprehensive expense for the period amounts to £20,045 .

Dividend and distributions

No dividends were declared or paid by the Company during the current period and the directors do not propose a final dividend.

OSW Co Holdings 3 Limited

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DIRECTORS' REPORT - (continued)

Employees

The Company had no employees during the period.

None of the directors have received any remuneration during the period.

Small companies exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Advantage has been taken of the exemption under Section 414B of the Companies Act 2006 from the requirement to prepare a strategic report.

Directors' indemnities

The Company purchased insurance to cover Directors' and Officers' liability as permitted by applicable Law. There are no indemnity agreements for any director.

Immediate and ultimate parent undertaking

As at 31 March 2020, the Company's immediate parent undertaking was OSW CO Holdings 2 Limited and its ultimate parent company and ultimate controlling party was UK Green Investment Rampion Limited, a company incorporated in the United Kingdom and registered in England and Wales.

Subsequent events

Subsequent events have been evaluated up to the date on which the financial statements were approved and authorised for issue by the directors.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by the UK government to contain the virus have affected economic activity.

At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. We have experienced no change in business activity and expect this to continue.

We will continue to follow the UK government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible.

DIRECTORS' REPORT - (continued)**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 of approval of the financial statements.

In early 2020, the existence of a new coronavirus (COVID-19) was confirmed and a pandemic situation emerged that has created social and economic disruption, which in turn has resulted in significant volatility in global markets. The directors have assessed, analysed and continue to reassess the potential impact on the financial and operational performance of the Company.

The directors have considered the impact of COVID-19 on the Company and its operations and consider it mainly relates to variability in future power prices which impacts the Company's investees' ability to generate returns for the Company. The directors have also considered the impact on future cash flows and concluded there is no impact on the Company's ability to continue as a going concern for the foreseeable future.

At the year end, the Company has net current liabilities of £20,045.

The current liabilities of the Company mainly relate to an intercompany loan payable to its shareholders. Under the terms of the loan agreement, the liability has no fixed repayment terms, and is repayable by the borrower only when (i) it has sufficient cash to make the payment and if (ii) the borrower is permitted to make the payment under its other financing arrangements. Based on the undertaking of this agreement, the directors believe it remains appropriate for the financial statements to be prepared under the going concern basis.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union 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.

OSW Co Holdings 3 Limited

Annual Report and Audited Financial Statements for the period ended 31 March 2020

DIRECTORS' REPORT - (continued)

Directors' confirmations

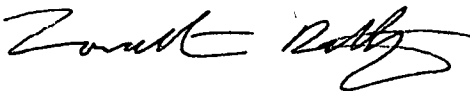
In the case of each director in office at the date the Directors' Report is approved:

- 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.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to accept reappointment. The directors shall propose a resolution to reappoint them subsequent to approval of the financial statements.

Signed for and on behalf of the Board



Director: Jonathan Duffy

Date: 16 December 2020

OSW Co Holdings 3 Limited

Annual Report and Audited Financial Statements for the period ended 31 March 2020

Independent auditors' report to the members of OSW Co Holdings 3 Limited

Report on the audit of the financial statements

Opinion

In our opinion, OSW Co Holdings 3 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss and cash flows for the 8 month period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; 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 Audited Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the period 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

OSW Co Holdings 3 Limited

Annual Report and Audited Financial Statements for the period ended 31 March 2020

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 31 March 2020 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 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 in respect of the financial statements set out on page 5, 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.

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.

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

Use of this report

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

OSW Co Holdings 3 Limited

Annual Report and Audited Financial Statements for the period ended 31 March 2020

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 received 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Kevin McGhee

Kevin McGhee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

17 December 2020

OSW Co Holdings 3 Limited

Annual Report and Audited Financial Statements for the period ended 31 March 2020

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	<u>Note</u>	31 March 2020 £
Non-current assets		
Investment in subsidiary	3	100
Total non-current assets		<u>100</u>
Current assets		
Other financial assets	4	32,318,144
Total current assets		<u>32,318,144</u>
Total assets		<u>32,318,244</u>
Equity and Liabilities		
Equity		
Share capital	5	100
Accumulated losses		(20,045)
Total equity		<u>(19,945)</u>
Current liabilities		
Payables and accrued expenses	6	20,045
Other financial liabilities	7	32,318,144
Total current liabilities		<u>32,338,189</u>
Total equity and liabilities		<u>32,318,244</u>

The notes on pages 13 to 23 form an integral part of these financial statements.

There were no cash movements during the year and therefore no Statement of Cash Flows has been presented.

The financial statements on pages 10 to 23 were approved and authorised by the directors of the Company on 16 December 2020 and were signed on its behalf by:



Director: Jonathan Duffy
OSW Co Holdings 3 Limited

Registered company number 12146891

OSW Co Holdings 3 LimitedAnnual Report and Audited Financial Statements for the period ended 31 March 2020

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2020**

		8 August 2019 to 31 March 2020 £
	<u>Note</u>	
Administrative expenses	8	(20,045)
Operating loss		<u>(20,045)</u>
Finance income	4	1,319,762
Finance cost	7	(1,319,762)
Loss before tax		<u>(20,045)</u>
Tax expense	9	-
Loss and total comprehensive expense for the period		<u><u>(20,045)</u></u>

The notes on pages 13 to 23 form an integral part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020**

	Share capital	Accumulated losses	Total equity
	£	£	£
Balance as at 8 August 2019	-	-	-
Initial issue of share capital	100	-	100
Loss and total comprehensive expense for the period	-	(20,045)	(20,045)
Balance as at 31 March 2020	100	(20,045)	(19,945)

The notes on pages 13 to 23 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

1. General information

OSW Co Holdings 3 Limited (the "Company") is a private company, limited by shares, domiciled in England and Wales, United Kingdom. The address of its registered office is 18 St. Swithin's Lane, London, EC4N 8AD, United Kingdom.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared under the historic cost convention and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of financial statements in compliance with EU adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in section 2.4.

The financial statements contain information about OSW Co Holdings 3 Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, UK Green Investment Rampion Limited.

The Company was incorporated on 8 August 2019, therefore these financial statements are for the period from 8 August 2019 to 31 March 2020, which is the Company's first accounting period.

2.2 Changes in accounting policies and disclosures

New standards, amendments and interpretation adopted by the Company

IFRS 16 'Leases' has replaced IAS 17 'Leases' effective 1 January 2019. It requires the recognition of a right-of-use asset along with an associated lease liability, where the entity is a lessee. Interest expense will be recognised in profit or loss using the effective interest rate method, and the right of use asset will be depreciated. The Company has no lease arrangements hence the standard does not have any effect on its financial statements.

New standards, amendments and interpretation issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2020 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

2.3 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 of approval of the financial statements.

In early 2020, the existence of a new coronavirus (COVID-19) was confirmed and a pandemic situation emerged that has created social and economic disruption, which in turn has resulted in significant volatility in global markets. The directors have assessed, analysed and continue to reassess the potential impact on the financial and operational performance of the Company.

The directors have considered the impact of COVID-19 on the Company and its operations and consider it mainly relates to variability in future power prices which impacts the Company's investees' ability to generate returns for the Company. The directors have also considered the impact on future cash flows and concluded there is no impact on the Company's ability to continue as a going concern for the foreseeable future.

At the year end, the Company has net current liabilities of £20,045.

The current liabilities of the Company mainly relate to an intercompany loan payable to its shareholders. Under the terms of the loan agreement, the liability has no fixed repayment terms, and is repayable by the borrower only when (i) it has sufficient cash to make the payment and if (ii) the borrower is permitted to make the payment under its other financing arrangements. Based on the undertaking of this agreement, the directors believe it remains appropriate for the financial statements to be prepared under the going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

2. Summary of significant accounting policies - (continued)

2.4 Estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. In the judgement of the directors, there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.5 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value. The Company had no bank account during the year and therefore no Statement of Cash Flows has been presented. All monetary transactions are being received/ paid into OSW Co Holdings 2 Limited's bank account on behalf of the Company adding to or repaying an existing intercompany balance.

2.6 Functional and presentation currency

The financial statements have been presented in British Pounds ("£"), which is the Company's functional currency. Transactions in foreign currencies are translated into "£" at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into "£" at the exchange rate ruling at that date.

Functional currency is the currency of the primary economic environment in which the Company operates. The majority of the Company's investments and transactions are denominated in British Pounds. Commitments, capital calls and distributions are received and paid in British Pounds. The large majority of expenses (including legal and professional fees and investment acquisition costs) are denominated and paid in British Pounds. Accordingly, the directors have determined that the functional and presentation currency of the Company is British Pounds.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date. Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income. Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within 'net foreign currency gains or losses'.

2.7 Investments

Investments in subsidiaries, joint ventures and associates are carried at historical cost less accumulated impairment losses. On disposal of investments (in subsidiaries, joint ventures and associates), the difference between disposal proceeds and the carrying amounts of the investments are recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

2. Summary of significant accounting policies - (continued)

2.8 Trade and other payables

Payables and accrued expenses

Payables and accrued expenses are initially recognised at fair value and measured subsequently at amortised cost using the effective interest rate method. Payables and accrued expenses are derecognised when the liability is extinguished, that is when contractual obligation is discharged, cancelled or expires.

2.9 Financial instruments

i. Recognition and initial measurement

All financial instruments are initially measured at fair value adjusted for, in the case of a financial asset or a financial liability not at fair value through profit or loss (FVPL), transaction costs. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

ii. Classification and subsequent measurement of financial assets

Subsequent to initial recognition, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

The Company's financial assets include intercompany loans and interest receivable on the intercompany loans, and amounts due from group undertakings classified in 'Other financial assets'.

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Intercompany loans are designated at FVTPL as the loans do not pass the solely payments of principal and interest test. Other amounts due from group undertakings are measured at amortised cost.

iii. Classification and subsequent measurement of financial liabilities

Subsequent to initial recognition, two measurement categories exist for financial liabilities: FVTPL and amortised cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the fair value option is applied.

The Company's financial liabilities include trade and other payables and intercompany loans, interest payable on the intercompany loans and amounts due to related parties classified in 'Other financial liabilities'.

Intercompany loans are measured at FVTPL as the fair value option is applied. This measurement eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Trade and other payables and amounts due to related parties are measured subsequently at amortised cost and use the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

2. Summary of significant accounting policies - (continued)

2.9 Financial instruments - (continued)

iv. Derecognition of financial instruments

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. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

v. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

vi. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

IFRS 13 disclosures

All financial liabilities carried at fair value have been measured by a Level 3 valuation method. Specific valuation techniques used to value financial instruments include the following:

- using management's cash flow projections and other financial forecasts
- using credit spreads calculated using internal data
- using yield curves of similar characteristic financial instruments
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial

The carrying value of the non-current portion of the financial liabilities is a good approximation of fair value as the interest rates of these financial liabilities are considered to be at market value and hence the discounted value of the future cash flows gives the same value as the carrying value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

2. Summary of significant accounting policies - (continued)

2.10 Income taxes

Current income tax

Current income tax assets and liabilities for the period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is not recognised in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.11 Dividends

Dividend income is recognised when the right to receive payment is established. Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.12 Finance income and cost

Finance income and expenses comprise interest receivable and payable on financial assets and financial liabilities at FVTPL.

Interest income and expense are recognised in profit or loss as they accrue, taking into account the effective yield on the asset or liability.

OSW Co Holdings 3 Limited

Annual Report and Audited Financial Statements for the period ended 31 March 2020

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020****3. Investment in subsidiary**

	£
At 8 August 2019	-
Movement during the year	100
At 31 March 2020	<u>100</u>

The direct and indirect subsidiaries are shown below:

The registered office of the following subsidiaries is 18 St. Swithin's Lane, EC4N 8AD, London, United Kingdom.

Name of subsidiary	Country of incorporation	Class of shares held	Percentage of equity shares held as at 31 March 2020
			%
OSW Co Investments Limited	United Kingdom	Ordinary	100
OSW LP Holdco Limited*	United Kingdom	Ordinary	100

* Indirect subsidiary holdings

Other indirect related undertakings:

Name of undertaking	Country of incorporation	Class of shares held	Percentage of shares held as at 31 March 2020
			%
Macquarie GIG Renewable Energy Fund 1 L.P.	United Kingdom	Ordinary	40
Macquarie GIG Renewable Energy Fund 1 B L.P.	United Kingdom	Ordinary	20

OSW Co Holdings 3 Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

4. Other financial assets

	31 March 2020
	£
Intercompany loan receivable	30,998,282
Interest receivable on intercompany loan	1,319,762
Receivable from OSW Co Holdings 2 Limited	100
Total	32,318,144

The above loan is interest bearing at 7% per annum with no fixed terms of repayment and is receivable on demand. The loan is due from OSW Co Investments Limited. As a result, the loan does not pass the sole payments of principal and interest test and is held at fair value through profit and loss. As the interest rate of the loan is at fair value, there are no changes to the loans value and no fair value changes have been recorded in profit or loss.

During the year the Company recognised finance income of £1,319,762 in the Statement of Comprehensive Income.

5. Share capital

The Company has only issued ordinary shares as at the reporting date.

As at 31 March 2020, the share capital amounting to £100, is represented by 100 ordinary shares with a nominal value of £1.00 per share.

	31 March 2020
	£
Ordinary share capital	100
Total	100

6. Payables and accrued expenses

	31 March 2020
	£
Accruals	20,045
Total	20,045

OSW Co Holdings 3 LimitedAnnual Report and Audited Financial Statements for the period ended 31 March 2020

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020****7. Other financial liabilities**

	31 March 2020
	£
Amount due to related parties	100
Shareholder loan payable	30,998,282
Interest payable on shareholder loan	1,319,762
Total	<u>32,318,144</u>

The above loan is interest bearing at 7% per annum with no fixed terms of repayment and is payable on demand. The loan is held by OSW CO Holdings 2 Limited. The loan is accounted for at fair value through profit and loss to avoid an accounting mismatch with the loan receivable in note 4 as permitted by IFRS 9. As the interest rate of the loan is at fair value, there are no changes to the loan value and no fair value changes have been recorded in profit or loss.

During the year the Company recognised finance costs of £1,319,762 in the Statement of Comprehensive Income.

8. Administrative expenses

	8 August 2019 to 31 March 2020
	£
Audit fee	9,315
Professional fees	10,730
Total	<u>20,045</u>

9. Tax expense

There is no current or deferred tax charge in the period.

The charge for the period can be reconciled to the loss per the Statement of Comprehensive Income as follows:

	8 August 2019 to 31 March 2020
	£
Loss for the period - continuing activities	(20,045)
Tax on loss at standard UK tax rate of 19.00%	(3,809)
Effects of:	
Amounts not recognised	3,809
Tax charge for the period	<u>-</u>
Unrecognised deferred tax:	
Losses	(3,809)
Total	<u>(3,809)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020****9. Tax expense - (continued)**

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020, therefore any deferred tax has been remeasured at 19% at 31 March 2020.

10. Financial risk management objectives and policies

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

- Credit risk
- Liquidity risk

The Company's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Company is exposed and seeks to minimise potential adverse effects on the Company's financial performance.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Other financial assets
- Payables and accrued expenses
- Other financial liabilities

Financial instruments by category

	31 March 2020 £	31 March 2020 £
	Held at amortised cost	Held at FVTPL
<u>Financial assets</u>		
Receivable from OSW Co 2	100	-
Intercompany loan receivable	-	32,318,044
Total	100	32,318,144
<u>Financial liabilities</u>		
Payables and accrued expenses	20,045	-
Payable to OSW Co 2	100	-
Intercompany loan payable	-	32,318,044
Total	20,145	32,318,044

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 risks limits and other controls. The process of risk management is critical to achieving the Company's objectives.

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

10.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk due to its investment in the subsidiary and the other financial assets from OSW Co Investments Limited.

Credit risk is actively managed by monitoring the subsidiary's performance and ensuring that any cash due from the subsidiary is received in a timely manner.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

10. Financial risk management objectives and policies - (continued)

10.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's policy to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The directors monitor rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs.

The table below analyses the Company's financial liabilities into relevant maturities based on the remaining period from the Statement of Financial Position date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 5 years	More than 5 years	Repayable on demand	Total
	£	£	£	£	£
Trade and other payables	20,045	-	-	-	20,045
Other financial liabilities	-	-	-	32,318,144	32,318,144
Total as at 31 March 2020	20,045	-	-	32,318,144	32,338,189

From the current performance of the Company, there is no sign at present, at least for the next 12 months that the Company will face significant liquidity risk. Also, refer to note 2.3 for its going concern assessment.

11. Capital management

The capital of the Company is represented by the Equity. The Company's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company.

In accordance with the Company's investment policy, the Company's principal use of cash has been to fund further equity investments, repayment of external borrowings and shareholder loan. The directors monitor and review the broad structure of the Company's capital on an on-going basis.

12. Directors' and employees' remuneration

The directors did not receive any remuneration for their services to the Company. The Company has no employees.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

13. Related party transactions

Parties are deemed related when one has an ability to control the other or exercise significant influence while making financial and operational decisions.

As at the reporting date, the Company owed the amount of £32,318,144 to its parent Company OSW CO Holdings 2 Limited, including accrued interest of £1,319,762. £1,319,762 has been recognised as finance cost in the Statement of Comprehensive Income during the year.

At the reporting date, OSW Co Investments Limited owed £32,318,044 to the Company, including accrued interest of £1,319,762. £1,319,762 has been recognised as finance income in the statement of Comprehensive Income during the year.

At the reporting date, OSW CO Holdings 2 Limited owed £100 to the Company in relation to the initial share capital.

14. Immediate and ultimate parent undertaking

As at 31 March 2020, the Company's immediate parent undertaking is OSW CO Holdings 2 Limited and its ultimate parent company and ultimate controlling party is UK Green Investment Rampion Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The ultimate parent company is the only group to consolidate these financial statements. Copies of the consolidated financial statements of UK Green Investment Rampion Limited can be obtained from Companies House (www.companieshouse.gov.uk).

15. Subsequent events

Subsequent events have been evaluated up to the date on which the financial statements were approved and authorised for issue by the directors.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by the UK government to contain the virus have affected economic activity.

At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. We have experienced no change in business activity and expect this to continue.

We will continue to follow the UK government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible.