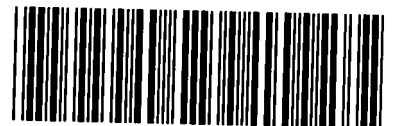


Company registration number 12146891 (England and Wales)

OSW CO HOLDINGS 3 LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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OSW CO HOLDINGS 3 LIMITED

COMPANY INFORMATION

Directors

Mr J Duffy
Mr P Stalley
Mr D Tilstone
Mrs M Hogan (Appointed 1 July 2022)

Secretary

Mr D Tan
Vercity Management Services Limited

Company number

12146891

Registered office

8 White Oak Square
London Road
Swanley
Kent
BR8 7AG

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

OSW CO HOLDINGS 3 LIMITED

CONTENTS

	Page(s)
Directors' report	1 - 3
Independent auditors' report	4 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 - 21

OSW CO HOLDINGS 3 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and audited financial statements for the year ended 31 March 2022.

Incorporation

The Company was incorporated in England and Wales on 8 August 2019 as a private company limited by shares.

Principal activities

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

The Company holds 100% of the shares of OSW Co Investments Limited ("the subsidiary").

Results and dividends

The results for the year are set out on page 7.

The company's loss and total comprehensive expense for the year amounts to £36,487 (2021: £31,473).

No dividends were declared or paid during the year (2021: nil). The directors do not recommend payment of a final dividend.

Directors

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

Mr J Duffy

Mr T Kelly

(Resigned 9 March 2022)

Mr P Stalley

Mr D Tilstone

Ms F Trevere

(Appointed 9 March 2022 and resigned 1 July 2022)

Mrs M Hogan

(Appointed 1 July 2022)

Employees

The Company had no employees during the year (2021: nil).

All the directors were employed or contracted by, and received all emoluments from other investor undertakings. The directors perform director's duties for multiple entities within those investor groups as well as their employment or other contracted duties. Consequently, allocating their employment compensation across all these duties would not be feasible. Accordingly, no separate remuneration has been disclosed.

Directors' insurance

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

Financial risk management

The principal financial risks and uncertainties that the Company faces and how the company manages these risks are discussed in notes 16 and 17.

Independent auditors

The independent 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.

OSW CO HOLDINGS 3 LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 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 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 also 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.

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.

The long-term nature of offshore wind assets contributed to overall resilience of this asset class to economic fluctuations. The Company's liquidity position and forecasted future cash flows are being reviewed by the management and presented to the Board quarterly. The assumptions in the cash flow forecast are updated regularly to account for the most recent macroeconomic and company's developments.

At the year end, the company had net current liabilities of £88,005 (2021: £51,518).

The current liabilities of the company largely comprise of an intercompany loan payable to its shareholders. The liability 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. Therefore, the directors believe it remains appropriate for the financial statements to be prepared under the going concern basis.

OSW CO HOLDINGS 3 LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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.

Subsequent event

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021, and cancelled on 23 September 2022. On 14 October 2022, the government announced that the rate would increase to 25% from 1 April 2023 as already enacted.

On behalf of the board



Mr J Duffy
Director

20 December 2022

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 2022 and of its loss 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 March 2022; the statement of comprehensive income 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.

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 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.

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 year ended 31 March 2022 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, 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.

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 compliance with the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to achieve desired financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- gaining an understanding of the legal and regulatory framework applicable to the company and considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud;
- enquiry of management and those charged with governance around actual and potential litigation and claims and any instances of non-compliance with laws and regulations;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business; and
- reviewing minutes of meetings of those charged with governance.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the 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 (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 December 2022

OSW CO HOLDINGS 3 LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

		2022 £	2021 £
Administrative expenses	Note	(36,487)	(31,473)
Operating loss	4	(36,487)	(31,473)
Finance income	7	1,329,024	1,921,174
Finance costs	8	(1,329,024)	(1,921,174)
Loss before taxation		(36,487)	(31,473)
Income tax expense	9	-	-
Loss and total comprehensive expense for the year		(36,487)	(31,473)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The Company did not have a bank account during the year or prior year and hence the Statement of Cash Flows has not been presented.

Notes on pages 10 to 21 form an integral part of these financial statements.

OSW CO HOLDINGS 3 LIMITED

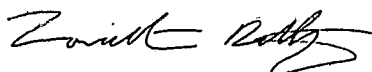
STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	2022 £	2021 £
ASSETS			
Non-current assets			
Investment in subsidiary	10	100	100
Total non-current assets		100	100
Current assets			
Trade and other receivables	12	16,968,343	22,639,319
Total current assets		16,968,343	22,639,319
Total assets		16,968,443	22,639,419
EQUITY			
Called up share capital	19	100	100
Accumulated losses		(88,005)	(51,518)
Total equity		(87,905)	(51,418)
LIABILITIES			
Current liabilities			
Trade and other payables	13	88,105	51,618
Loans and borrowings	14	16,968,243	22,639,219
Total current liabilities		17,056,348	22,690,837
Total liabilities		17,056,348	22,690,837
Total equity and liabilities		16,968,443	22,639,419

Notes on pages 10 to 21 form an integral part of these financial statements.

The financial statements on pages 7 to 21 were approved by the board of directors and authorised for issue on 20 December 2022 and are signed on its behalf by:



Mr J Duffy
Director

Company Registration No. 12146891

OSW CO HOLDINGS 3 LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Accumulated losses £	Total equity £
Balance at 1 April 2020	100	(20,045)	(19,945)
Loss and total comprehensive expense for the year	-	(31,473)	(31,473)
Balance at 31 March 2021 and 1 April 2021	100	(51,518)	(51,418)
Loss and total comprehensive expense for the year	-	(36,487)	(36,487)
Balance at 31 March 2022	100	(88,005)	(87,905)

Notes on pages 10 to 21 form an integral part of these financial statements.

The following describes the nature and purpose of each reserve within equity:

Share capital	Nominal value of share capital subscribed for.
Accumulated losses	Cumulative profit or losses, net of dividends paid and other adjustments.

OSW CO HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

OSW Co Holdings 3 Limited is a private company limited by shares incorporated and domiciled in the United Kingdom and registered in England and Wales. The registered office is 8 White Oak Square; London Road, Swanley, Kent, BR8 7AG. The company's principal activities and nature of its operations are disclosed in the directors' report.

The immediate parent of the Company is OSW Co Holdings 2 Limited, Company number:10491763, incorporated on 22 November 2016 in the United Kingdom, having its registered office at 8 White Oak Square, London Road, Swanley Kent, BR8 7AG.

The main activity of the Company is to hold the investment in OSW Co Investments Limited and to distribute profits rising from the investment to investors at a later stage.

The Company is funded through loans from shareholders.

1.1 Accounting convention

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. OSW Co Holdings 3 Limited transitioned to UK-adopted International Accounting Standards in its company and consolidated financial statements on 1 April 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the financial year reported as a result of the change in framework and the accounting policies have been applied consistently, other than where new policies have been adopted. The financial statements of OSW Co Holdings 3 Limited have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

Accounting policies have been applied consistently, other than where new policies have been adopted as outlined in note 2.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention with the exception of some financial assets and liabilities held at fair value through profit or loss as detailed in notes 1.5 and 1.6. The preparation of the financial statements in compliance with UK-adopted International Accounting Standards 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 the accounting policies.

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.

OSW CO HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.2 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.

The long-term nature of offshore wind assets contributed to overall resilience of this asset class to economic fluctuations. The company's liquidity position and forecasted future cash flows are being reviewed by the management and presented to the Board quarterly. The assumptions in the cash flow forecast are updated regularly to account for the most recent macroeconomic and company's developments.

At the year end, the Company had net current liabilities of £88,005 (2021: £51,518).

The current liabilities of the Company largely comprise of an intercompany loan payable to its shareholders. The liability 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. Therefore, the directors believe it remains appropriate for the financial statements to be prepared under the going concern basis.

1.3 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss. On disposal of investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the Statement of Comprehensive Income.

1.4 Cash and cash equivalents

The company did not have a bank account during the financial year and all operating expenses were settled by the parent entity, therefore no Statement of Cash Flows has been presented.

1.5 Financial assets

Financial assets are recognised in the company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

The financial assets of the company are made up of trade and other receivables (measured at amortised cost) and amounts owed by subsidiary undertakings (measured at fair value through profit or loss).

Financial assets at fair value through profit or loss

All amounts owed by subsidiary undertakings are classified as financial assets at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognised initially at fair value and any transaction costs are recognised in profit or loss when incurred. Any gains or losses on a financial asset measured at fair value through profit or loss will be recognised in profit or loss, and included within finance income or finance costs in the Statement of Comprehensive Income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

OSW CO HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets held at amortised cost are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.6 Financial liabilities

The Company recognises financial liabilities when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified into specified categories, depending on the nature and purpose of the financial liabilities. The financial liabilities of the Company comprise of trade and other payables (held at amortised cost) and loans and borrowings (held at fair value through profit or loss).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Financial liabilities at amortised cost

Trade payables are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.7 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the Company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

OSW CO HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Adoption of new and revised standards and changes in accounting policies

Standards which are in issue but not yet effective

New amendments to Standards and Interpretations that became mandatory for the first time for the financial year beginning 1 April 2021 are listed below:

- Interest Rate Benchmark Reform 'Phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7) (effective 1 January 2021)
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) (effective 1 April 2021)

The new amendments had no significant impact on the company's results.

OSW CO HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Adoption of new and revised standards and changes in accounting policies

(Continued)

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the company has decided not to adopt early as listed below:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) (effective 1 January 2022)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) (effective 1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41) (effective 1 January 2022)
- References to Conceptual Framework (Amendments to IFRS 3) (effective 1 January 2022)
- Presentation of financial statements' on classification of liabilities (Amendments to IAS1) (effective 1 January 2023)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective 1 January 2023)
- IFRS 17 Insurance contracts (effective 1 January 2023) 17 Insurance contracts (effective 1 January 2023)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective 1 January 2023)
- Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (effective date not determined)

The company does not expect the above standards issued by the IASB, but not yet effective, to have a material impact on the company's results.

3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements

Management do not consider there to be any material critical judgements.

Key sources of estimation uncertainty

Fair value of loans and borrowings

The company classifies receivables and payables from and to related undertakings at fair value through profit and loss (further details on classification of this are explained in notes 12 and 14). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on interest rate determined through benchmarking analysis, which includes comparing third party financing transactions in the renewable and offshore wind sub-sector. The company's risk profile is also factored in while determining appropriate interest rate. These estimates are reviewed annually.

OSW CO HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements*	14,996	11,178
Tax compliance fees	600	2,400
Management service fees	19,153	17,895

*Included within fees payable to the company's auditors for the audit of the company's financial statements is an amount of £1,590 related to the year ended 31 March 2021.

All costs are shown inclusive of VAT as the company is not VAT registered.

5 Auditors' remuneration

	2022	2021
	£	£
Fees payable to the company's auditors:		
For audit services		
Audit of the financial statements of the company*	12,497	9,315

*Included within audit of the financial statements of the company is an amount of £1,325 related to the year ended 31 March 2021.

6 Employees

The Company had no employees during the year (2021: nil).

All the directors were employed or contracted by, and received all emoluments from other investor undertakings. The directors perform director's duties for multiple entities within those investor groups as well as their employment or other contracted duties. Consequently, allocating their employment compensation across all these duties would not be feasible. Accordingly, no separate remuneration has been disclosed.

7 Finance income

	2022	2021
	£	£
Interest on loan to subsidiary undertaking	1,329,024	1,921,174

8 Finance costs

	2022	2021
	£	£
Interest on loan from parent undertaking	1,329,024	1,921,174

OSW CO HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Income tax expense

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

	2022 £	2021 £
Loss before taxation	(36,487)	(31,473)
Expected tax credit based on a corporation tax rate of 19% (2021: 19%)	(6,933)	(5,980)
Deferred tax asset not recognised	6,933	5,980
Taxation charge for the year	-	-
Unrecognised deferred tax:		
Losses	(22,001)	(9,789)
Closing	(22,001)	(9,789)

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021, and cancelled on 23 September 2022. On 14 October 2022, the government announced that the rate would increase to 25% from 1 April 2023 as already enacted.

The unrecognised deferred tax balance at 31 March 2022 has been remeasured at 25% to reflect this change.

At 31 March 2022, the directors reviewed the probability that sufficient taxable profits would be available to allow a deferred tax asset to be recovered. As this was uncertain, a deferred tax asset was not recognised.

10 Investment in subsidiary

	Non-current 2022 £	2021 £
Investments in subsidiary	100	100

11 Subsidiaries

Details of the company's investments at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
OSW Co Investments Limited	8 White Oak Square, London Road, Swanley, Kent, United Kingdom, BR8 7AG	Ordinary	100	-
OSW LP Holdco Limited*	8 White Oak Square, London Road, Swanley, Kent, United Kingdom, BR8 7AG	Ordinary	-	100

OSW CO HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Subsidiaries

(Continued)

* Indirect subsidiary holding.

The indirect subsidiary, OSW LP Holdco Limited, holds a 40% share in Macquarie GIG Renewable Energy Fund 1 L.P ("Fund A") and a 20% share in Macquarie GIG Renewable Energy Fund 1 B L.P ("Fund B"). The principal activity of Fund A and Fund B is to carry on the business of investing in operational offshore wind farms in the United Kingdom and to carry out all functions and acts in connection therewith.

12 Trade and other receivables

	2022 £	2021 £
Unpaid share capital	100	100
Loan to subsidiary undertaking	16,721,317	22,552,715
Interest receivable on loan to subsidiary undertaking	246,926	86,504
	<u>16,968,343</u>	<u>22,639,319</u>

The amounts owed by subsidiary undertaking are receivable from OSW Co Investment Holdco Limited. The receivable is interest bearing at 7% per annum with no fixed terms of repayment. As a result, the loan does not pass the solely payment of principal and interest test and is held at fair value through profit and loss. As at 31 March 2022, management has performed a fair value assessment. As part of this assessment, management concluded that an interest rate within the range of 5.48% to 7% would approximate the arm's length rate of an unsecured shareholder loan repayable on demand. Hence, management concluded that the fair value of the loan should be determined using a discount rate of 7%.

During the year, the Company recognised finance income of £1,329,024 (2021: £1,921,174) in the Statement of Comprehensive Income.

13 Trade and other payables

	2022 £	2021 £
Amounts owed to parent undertaking	68,249	14,178
Unpaid share capital	100	100
Accruals	19,756	37,340
	<u>88,105</u>	<u>51,618</u>

14 Loans and borrowings

	2022 £	2021 £
Loans and borrowings held:		
Loan from parent undertaking	16,721,317	22,552,715
Accrued interest on loan from parent undertaking	246,926	86,504
	<u>16,968,243</u>	<u>22,639,219</u>

OSW CO HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Loans and borrowings

(Continued)

Loan from parent

The intercompany loan is payable to OSW Co Holdings 32 Limited. The loan is interest bearing at 7% and is repayable on demand. In the SOFP, the loan is held at amortised cost, the loan is held at fair value to avoid a mismatch with the amounts owed by subsidiary. As at 31 March 2022, management has performed a fair value assessment. As part of this assessment, management concluded that an interest rate within the range of 5.48% to 7% would approximate the arm's length rate of an unsecured shareholder loan repayable on demand. Hence, management concluded that the fair value of the loan should be determined using a discount rate of 7%.

During the year, the Company recognised finance costs of £1,329,024 (2021: £1,921,174) in the Statement of Comprehensive Income.

15 Fair value of financial assets and liabilities

The directors consider that the carrying amounts of financial assets and liabilities carried at amortised cost in the financial statements approximate to their fair values.

Determining the fair value of financial liabilities

All financial instruments which are measured at fair value are categorised within the fair value hierarchy described below. The categorisation is based on the lowest level input that is significant to the fair value measurement as a whole.

- **Level 1** Quoted prices in an active market (that are unadjusted) for identical assets or liabilities
- **Level 2** Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)
- **Level 3** Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable). Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The analysis of financial instruments into the fair value hierarchy is as follows:

31 March 2022	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets				
Amounts due by subsidiary undertakings	-	16,968,243	-	16,968,243
	-	16,968,243	-	16,968,243
31 March 2021	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets				
Amounts due by subsidiary undertakings	-	22,639,219	-	22,639,219
	-	22,639,219	-	22,639,219

OSW CO HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Fair value of financial assets and liabilities

(Continued)

31 March 2022	Level 1 £	Level 2 £	Level 3 £	Total £
Financial liabilities				
Loans and borrowings	-	16,968,243	-	16,968,243
	-	16,968,243	-	16,968,243
31 March 2021	Level 1 £	Level 2 £	Level 3 £	Total £
Financial liabilities				
Loans and borrowings	-	22,639,219	-	22,639,219
	-	22,639,219	-	22,639,219

During the years ended 31 March 2022 and 2021, there have been no transfers between Level 1, Level 2 and Level 3 fair value measurements.

16 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Measured at amortised cost:		
- Trade and other receivables	100	100
Measured at fair value through profit or loss:		
- Amounts due by subsidiary undertaking (incl. accrued interest)	16,968,243	22,639,219
Carrying amount of financial liabilities		
Measured at amortised cost:		
- Trade and other payables	88,105	51,618
Measured at fair value through profit or loss		
- Loans and borrowings (loan from parent undertaking incl. accrued interest)	16,968,243	22,639,219

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

- Liquidity risk

The Company is exposed to risks that arise from its use of financial instruments. This and the following notes describe the company's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes during the year 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 the previous periods.

OSW CO HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Financial instruments

(Continued)

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. Management reviews and agrees policies for managing each of these risks, which are summarised in the following notes.

17 Liquidity risk

The following table details the remaining contractual maturity for the company's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Less than 1 year	No fixed repayment date	Total
	£	£	£
At 31 March 2021			
Trade and other payables	51,618	-	51,618
Loan from parent undertaking	-	22,639,219	22,639,219
	<u>51,618</u>	<u>22,639,219</u>	<u>22,690,837</u>
At 31 March 2022			
Trade and other payables	19,856	68,249	88,105
Loan from parent undertaking	-	16,968,243	16,968,243
	<u>19,856</u>	<u>17,036,492</u>	<u>17,056,348</u>

Liquidity risk is defined as the risk the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses short term finance through intercompany borrowing.

From the current performance of the company, there is no indication for the next 12 months that the Company will face any significant liquidity risk. Also, refer to note 1.2 for its going concern assessment.

18 Capital risk 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. The directors monitor and review the broad structure of the company's capital on an on-going basis.

OSW CO HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and not fully paid				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The Company has only issued ordinary shares as at 31 March 2022 and 31 March 2021.

As at 31 March 2022, the share capital amounting to £100 (2021: £100), is represented by 100 unpaid ordinary shares (2021:100) with a nominal value of £1.00 (2021: £1.00) per share.

There is no share premium in the company as at the reporting date.

20 Related party transactions

At 31 March 2022, the Company owed the subsidiary, OSW Co Investments Limited an amount of £100 (2021: £100) related to unpaid share capital.

At 31 March 2022, the Company owed its parent company OSW Co Holdings 2 Limited £16,968,243 (2021: £22,639,219) including accrued interest of £246,926 (2021: £86,504). £1,329,024 (2021: £1,921,174) has been recognised as a finance cost in the Statement of Comprehensive Income during the year.

At 31 March 2022, the Company also owed an amount of £68,249 (2021: £14,178) to OSW Co Holdings 2 Limited in respect of invoices paid on behalf of the Company.

At 31 March 2022, the Company had a receivable of £100 (2021: £100) from its shareholder OSW Co Holdings 2 Limited in respect of the initial share capital.

At 31 March 2022, the Company was owed the amount of £16,968,243 (2021: £22,639,219) from its subsidiary OSW Co Investments Limited, including accrued interest of £246,926 (2021: £86,504). £1,329,024 (2021: £1,921,174) has been recognised as finance income in the Statement of Comprehensive Income during the year.

21 Events after the reporting date

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021, and cancelled on 23 September 2022. On 14 October 2022, the government announced that the rate would increase to 25% from 1 April 2023 as already enacted.

22 Controlling party

As at 31 March 2022, 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 and domiciled in the United Kingdom and registered in England and Wales.

The smallest and largest undertaking for which the company is a member and for which group financial statements are prepared is UK Green Investment Rampion Limited.

Copies of the financial statements of both the immediate parent undertaking and the ultimate parent company are available from Companies House (www.betacompanieshouse.gov.uk).