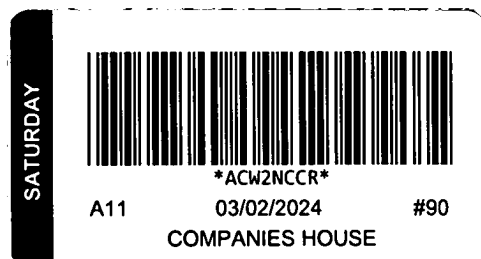


Company registration number 12146958 (England and Wales)

OSW CO INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



OSW CO INVESTMENTS LIMITED

COMPANY INFORMATION

Directors

Mr P Stalley
Ms M Hogan (Appointed 1 July 2022)
Mr J Field (Appointed 20 April 2023)
Mr E Andrew (Appointed 22 August 2023)
Mr A Bhawania (Appointed 4 September 2023)
Ms J McVitty (Appointed 2 June 2023)

Secretary

Vercity Management Services Limited

Company number

12146958

Registered office

8 White Oak Square
London Road
Swanley
Kent
BR8 7AG

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

OSW CO INVESTMENTS LIMITED

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OSW CO INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and the audited consolidated financial statements of OSW Co Investments Limited ("the company") and its subsidiary undertaking ("the group") for the year ended 31 March 2023.

Incorporation

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

Principal activities and future developments

The principal activity of the group is to hold strategic investments in wind farms. The company holds 100% of the shares of OSW LP Holdco Limited ("the subsidiary"), whose results are consolidated in these financial statements.

The group is not expected to change its nature of operations. The company will continue as an investment company for the foreseeable future.

Results and dividends

The results for the year are set out on page 7. The group's total comprehensive income for the year amounts to £5,578,653 (2022: £49,900,541).

No dividends were declared or paid during the year (2022: 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	(Resigned 20 April 2023)
Mr P Stalley	
Mr D Tilstone	(Resigned 20 April 2023)
Ms M Hogan	(Appointed 1 July 2022)
Ms F Trevere	(Resigned 1 July 2022)
Mr Nathan Wakefield	(Appointed 20 April 2023 and resigned 14 September 2023)
Mr J Field	(Appointed 20 April 2023)
Mr E Andrew	(Appointed 22 August 2023)
Mr A Bhuwania	(Appointed 4 September 2023)
Ms J McVitty	(Appointed 2 June 2023)

Employees

Neither the company nor the group had any employees during the year (2022: 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.

Qualifying third party indemnity provisions

The Company has entered into qualifying third-party indemnity arrangements, in the form and scope which comply with the Companies Act 2006, which is applicable to all Directors. The arrangement remains in force as at the date of approval of the financial statements.

Financial risk management

The principal financial risks and uncertainties that the company faces and how the company manages these risks are discussed in notes 18 to 21.

OSW CO INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 group and the company 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 group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

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

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

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

Directors' confirmations

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

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

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.

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.

OSW CO INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The long-term nature of offshore wind assets contributed to overall resilience of this asset class to economic fluctuations. The group's and 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 group/company's developments.

At the year end, the group has net current liabilities of £3,079,720 (2022: £13,498,192). The company has net current assets of £87,142,451 (2022: £93,866,121).

The current liabilities of the group mainly relate to amounts payable to external lenders and related parties. The group receives distributions from the subsidiary's associates on a regular basis which will be sufficient to service the debt obligations. The amounts payable to related parties are 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 this, the directors have a reasonable expectation that the company will have adequate resources to continue its operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Subsequent event

On 20 April 2023, MEIF 5 Green Infrastructure Holdings S.a.r.l. sold its 50% investment in UK Green Investment Rampion Limited (ultimate parent of OSW Co Investments Limited) to Equitix Aragorn Bidco Limited.

Post year end the Directors approved three interim dividends relating to the year ending 31 March 2024. Details of these dividends can be found in note 10.

On behalf of the board



Mr E Andrew
Director

29 January 2024

Independent auditors' report to the members of OSW Co Investments Limited

Report on the audit of the financial statements

Opinion

In our opinion, OSW Co Investments Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2023 and of the group's loss and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; 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 consolidated and company statements of financial position as at 31 March 2023; the consolidated statement of comprehensive income, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures

to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the 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 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the 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 group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to 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 minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and testing accounting estimates (because of the risk of management bias).

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not

detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

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
29 January 2024

OSW CO INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
	Note(s)	£	£
Operating income		88,596	3,552
Administrative expenses		(354,003)	(305,897)
Operating loss	4	(265,407)	(302,345)
Share of profit of associates	13	3,098,616	49,221,605
Investment income	6	1,333,202	-
Finance costs	8	(4,650,737)	(4,100,460)
(Loss)/profit before taxation		(484,326)	44,818,800
Income tax expense	9	-	-
(Loss)/profit for the year		(484,326)	44,818,800
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Cash flow hedges:			
- Hedging gain arising in the year	25	6,062,979	5,081,741
Total items that may be reclassified to profit or loss		6,062,979	5,081,741
Total other comprehensive income for the year		6,062,979	5,081,741
Total comprehensive income for the year		5,578,653	49,900,541

(Loss)/Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

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

Notes on pages 15 to 38 form an integral part of these financial statements.

OSW CO INVESTMENTS LIMITED

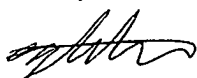
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note(s)	2023 £	2022 £
ASSETS			
Non-current assets			
Investment in associate	12	172,976,652	193,300,025
Derivative financial instruments	23	11,141,225	5,078,246
Total non-current assets		184,117,877	198,378,271
Current assets			
Trade and other receivables	14	578,381	30,633
Cash and cash equivalents		12,270,189	13,740,804
Total current assets		12,848,570	13,771,437
Total assets		196,966,447	212,149,708
EQUITY			
Called up share capital	24	100	100
Hedging reserve	25	11,141,225	5,078,246
Retained earnings		91,358,739	91,843,065
Total equity		102,500,064	96,921,411
LIABILITIES			
Non-current liabilities			
Loans and borrowings	16	78,538,093	87,958,668
Current liabilities			
Trade and other payables	15	902,949	723,025
Loans and borrowings	16	15,025,341	26,546,604
Total current liabilities		15,928,290	27,269,629
Total liabilities		94,466,383	115,228,297
Total equity and liabilities		196,966,447	212,149,708

Notes on pages 15 to 38 form an integral part of these financial statements.

The financial statements on pages 7 to 38 were approved by the board of directors and authorised for issue on 29 January 2024 and are signed on its behalf by:



Mr E Andrew
Director

OSW CO INVESTMENTS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note(s)	2023 £	2022 £
ASSETS			
Non-current assets			
Investment in subsidiary	12	250,550	250,550
Derivative financial instruments	23	11,141,225	5,078,246
Total non-current assets		11,391,775	5,328,796
Current assets			
Trade and other receivables	14	90,545,627	107,186,518
Cash and cash equivalents		12,270,189	13,740,804
Total current assets		102,815,816	120,927,322
Total assets		114,207,591	126,256,118
EQUITY			
Called up share capital	24	100	100
Hedging reserve	25	11,141,225	5,078,246
Retained earnings		8,854,808	6,157,903
Total equity		19,996,133	11,236,249
LIABILITIES			
Non-current liabilities			
Loans and borrowings	16	78,538,093	87,958,668
Current liabilities			
Trade and other payables	15	648,024	514,597
Loans and borrowings	16	15,025,341	26,546,604
Total current liabilities		15,673,365	27,061,201
Total liabilities		94,211,458	115,019,869
Total equity and liabilities		114,207,591	126,256,118

Notes on pages 15 to 38 form an integral part of these financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £2,696,905 (2022: £1,870,790 profit).

OSW CO INVESTMENTS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2023

The financial statements on pages 7 to 38 were approved by the board of directors and authorised for issue on 29 January 2024 and are signed on its behalf by:



Mr E Andrew
Director

Company Registration No. 12146958

OSW CO INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Called up Share capital £	Hedging reserve £	Retained earnings £	Total equity £
Balance at 1 April 2021	100	(3,495)	47,024,265	47,020,870
Year ended 31 March 2022:				
Profit for the year	-	-	44,818,800	44,818,800
Other comprehensive income:				
Cash flow hedges gains	-	5,081,741	-	5,081,741
Total comprehensive income for the year	-	5,081,741	44,818,800	49,900,541
Balance at 31 March 2022 and 1 April 2022	100	5,078,246	91,843,065	96,921,411
Year ended 31 March 2023:				
Loss for the year	-	-	(484,326)	(484,326)
Other comprehensive income:				
Cash flow hedges gains	-	6,062,979	-	6,062,979
Total comprehensive income for the year	-	6,062,979	(484,326)	5,578,653
Balance at 31 March 2023	100	11,141,225	91,358,739	102,500,064

The notes on pages 15 to 38 form 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.
Hedging reserve	Gains/losses arising on the effective portion of hedging instruments carried at fair value in a qualifying cashflow hedge.
Retained earnings	Cumulative profit or losses, net of dividends paid and other adjustments.

OSW CO INVESTMENTS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Called up Share capital £	Hedging reserve £	Retained earnings £	Total equity £
Balance at 1 April 2021	100	(3,495)	4,287,113	4,283,718
Year ended 31 March 2022:				
Profit for the year	-	-	1,870,790	1,870,790
Other comprehensive income:				
Cash flow hedges gains	-	5,081,741	-	5,081,741
Total comprehensive income for the year	-	5,081,741	1,870,790	6,952,531
Balance at 31 March 2022	100	5,078,246	6,157,903	11,236,249
Year ended 31 March 2023:				
Profit for the year	-	-	2,696,905	2,696,905
Other comprehensive income:				
Cash flow hedges gains	-	6,062,979	-	6,062,979
Total comprehensive income for the year	-	6,062,979	2,696,905	8,759,884
Balance at 31 March 2023	100	11,141,225	8,854,808	19,996,133

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

Share Capital	Nominal value of share capital subscribed for.
Hedging reserve	Gains/losses arising on the effective portion of hedging instruments carried at fair value in a qualifying cashflow hedge.
Retained earnings	Cumulative profit or losses, net of dividends paid and other adjustments.

Notes on pages 15 to 38 form an integral part of these financial statements.

OSW CO INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Note(s)	£	2023 £	£	2022 £
Cash flows from operating activities					
Cash used in operations	28		(178,026)		(235,830)
Net cash outflow from operating activities			<u>(178,026)</u>		<u>(235,830)</u>
Investing activities					
Distributions received from associates	12	23,421,989		24,000,477	
Interest received		88,596		-	
Net cash generated from investing activities			<u>23,510,585</u>		<u>24,000,477</u>
Financing activities					
Repayment of loans from parent undertaking		(12,402,310)		(5,831,398)	
Interest paid on loans from parent undertaking		(597,690)		(1,168,602)	
Repayment of bank loans		(9,372,822)		(8,723,010)	
Interest paid on bank loans		(3,147,697)		(1,881,149)	
Interest receivable on swaps		757,149		-	
Interest rate swaps paid		-		(603,284)	
Payment of lender's fees		(39,804)		(39,806)	
Net cash used in financing activities			<u>(24,803,174)</u>		<u>(18,247,249)</u>
Net (decrease)/increase in cash and cash equivalents			<u>(1,470,615)</u>		<u>5,517,398</u>
Cash and cash equivalents at beginning of year			<u>13,740,804</u>		<u>8,223,406</u>
Cash and cash equivalents at end of year			<u><u>12,270,189</u></u>		<u><u>13,740,804</u></u>

Notes on pages 15 to 38 form an integral part of these financial statements.

OSW CO INVESTMENTS LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note(s)	£	2023 £	£	2022 £
Cash flows from operating activities					
Cash used in operations	29		(178,026)		(235,830)
Net cash outflow from operating activities			(178,026)		(235,830)
Investing activities					
Interest received		88,596		-	
Receipt of loan repayment on loan to subsidiary undertaking	14	-		2,527,928	
Interest received on loan to subsidiary undertaking	14	23,421,989		21,472,549	
Net cash generated from investing activities			23,510,585		24,000,477
Financing activities					
Repayment of loans from parent undertaking		(12,402,310)		(5,831,398)	
Interest paid on loans from parent undertaking		(597,690)		(1,168,602)	
Repayment of bank loans		(9,372,822)		(8,723,010)	
Interest paid on bank loans		(3,147,697)		(1,881,149)	
Interest rate swaps paid		-		(603,284)	
Interest receivable on swaps		757,149		-	
Payment of lender's fees		(39,804)		(39,806)	
Net cash used in financing activities			(24,803,174)		(18,247,249)
Net (decrease)/increase in cash and cash equivalents			(1,470,615)		5,517,398
Cash and cash equivalents at beginning of year			13,740,804		8,223,406
Cash and cash equivalents at end of year			12,270,189		13,740,804

Notes on pages 15 to 38 form an integral part of these financial statements.

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

OSW Co Investments Limited is a private company limited by shares, incorporated and domiciled in the United Kingdom (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 group consists of OSW Co Investments Limited and its subsidiary undertaking.

1.1 Accounting convention

The financial statements of OSW Co Investments 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 group. Monetary amounts in these financial statements are rounded to the nearest £. The policies listed in note 1 have been consistently applied to all years presented, unless otherwise stated.

The preparation of the financial statements in compliance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 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.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company OSW Co Investments Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in associates.

The financial statements of the company, its subsidiary and the associates are made up to 31 March 2023. There are no differences between the accounting policies in the financial statements of the parent, the subsidiary and its associate.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost, as described in 1.11.

If the group's share of losses in an associate equals or exceeds its investment in the associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the associate.

Unrealised gains arising from transactions with associates are eliminated to the extent of the group's interest in the entity.

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.3 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.

The group's and 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 group/company's developments.

At the year end, the group has net current liabilities of £3,079,720 (2022: £13,498,192). The company has net current assets of £87,142,451 (2022: £93,866,121).

The current liabilities of the group mainly relate to amounts payable to external lenders and related parties. The group receives distributions from its subsidiary on a regular basis which will be sufficient to service the debt obligations. The amounts payable to related parties are 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 this, the directors have a reasonable expectation that the company will have adequate resources to continue its operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial assets

Financial assets are recognised in the group's/company's statement of financial position when the group/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 group include derivative financial instruments and trade and other receivables. Other than derivative financial instruments (see note 1.8) which are held at fair value through OCI all other financial assets in the group are held at amortised cost.

The financial assets of the company include derivative financial instruments, trade and other receivables and intercompany receivables. Other than derivative financial instruments (see note 1.8) and shareholder loan receivable, which are held at fair value through OCI and fair value through profit or loss respectively, all other financial assets in the company are held at amortised cost.

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 recognized 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 arise principally from the provision of goods and services to customers (eg trade receivables). 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 INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Financial assets at fair value through OCI

Financial assets at fair value through OCI are stated at fair value with any gains or losses arising on remeasurement recognised in other comprehensive income.

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 group/company recognises financial debt when the group/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 group include derivative financial instruments, trade and other payables and loans and borrowings. Other than derivative financial instruments (see note 1.8) which are held at fair value through OCI all other financial liabilities in the group are held at amortised cost.

The financial liabilities of the company include derivative financial instruments, trade and other payables and loans and borrowings. Other than derivative financial instruments (see note 1.8) and shareholder loan payable, which are held at fair value through OCI and fair value through profit or loss respectively, all other financial liabilities in the company are held at amortised cost.

Financial liabilities at fair value through OCI

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

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, 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 group's/company's obligations are discharged, cancelled, or they expire.

1.7 Equity instruments

Equity instruments issued by the parent 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 parent company.

1.8 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

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

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in the income statement.

Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects the profit or loss.

1.9 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 group's/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 INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 profit or loss, 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 group 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.

1.10 Equity accounted associates

The group owns 40% of Macquarie GIG Renewable Energy Fund 1 L.P. and 20% of Macquarie GIG Renewable Energy Fund 1 B L.P. through its 100% holding in OSW LP Holdco Limited. The group accounts for these investments as associates under IAS 28.

Where the group has the power to participate in (but no control on the decisions made in financial and operating policy of another entity), it is classified as an associate.

Under the equity method, an equity investment is initially recorded at cost and is subsequently adjusted to reflect the investor's share of the net profit or loss of the associate.

The group's share of post-acquisition profit or loss in the associate is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income in the associate is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit or loss of associates" in the profit or loss.

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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

New amendments to standards and interpretations that became mandatory for the first time for the financial years beginning from 1 January 2022 are listed below:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- References to Conceptual Framework (Amendments to IFRS 3)

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

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, subject to UK endorsement, that the Company has decided not to adopt early.

The following new or amended IFRS accounting standards, amendments and interpretations not yet adopted and is not expected to have a significant impact on the Company:

- IFRS 17 Insurance Contracts
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8
- Amendment to IAS 12 - deferred tax related to assets and liabilities arising from a single transaction
- Amendment to IAS 1 - Non current liabilities with covenants Amendment to IFRS 16 - Leases on sale and leaseback.

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 period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Critical accounting estimates and judgements

(Continued)

Critical judgements

Impairment of investment

At each balance sheet date, management assesses whether there is any indication that the investment in the associate may be impaired. In assessing whether there is any indication that the investment in the associate may be impaired, management uses judgement and takes into account several external and internal sources of information. The directors have considered all relevant sources of information and concluded that there are no indicators that the investment in the associate may be impaired.

Critical estimates

Fair value of receivables

The company classifies receivables from related undertakings at fair value through profit and loss (further details on classification of this are explained in note 1.5 and note 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, which is reviewed annually, is based on an interest rate determined through benchmarking analysis, which is explained in more detail in note 14.

4 Operating loss

	2023 £	2022 £
Operating loss for the year is stated after charging:		
Fees payable to the group's auditors for the audit of the financial statements of the company and its subsidiary*	189,080	121,463
Legal and professional fees	21,613	51,120
Tax compliance fees	4,200	4,200
Management service fees	54,864	46,960
Agency fees	84,246	77,640

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

*Included within fees payable to the company's auditors for the audit of the financial statements of the company is an amount of £13,696 (2022: £32,227) related to the year ended 31 March 2022 (2022: related to the year ended 31 March 2021).

5 Auditors' remuneration

	2023 £	2022 £
Fees payable to the group's auditors and their affiliates		
For audit services		
Audit of the financial statements of the group and company*	133,883	77,012
Audit of the financial statements of the company's subsidiary**	23,683	24,207
	157,567	101,219

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Auditors' remuneration

(Continued)

The associates, Fund A and Fund B incurred audit fees of £69,000 (2022: £47,000) during the year.

*Included within audit fees of the financial statements for the group and company is an amount of £10,520 (2022: £22,557) related to the year ended 31 March 2022 (2022: related to the year ended 31 March 2021).

**Included within audit fees of the financial statements of the group and company is an amount of £3,176 credit due to releasing an over-accrual (2022: £4,299) related to the year ended 31 March 2022 (2022: related to the year ended 31 March 2021).

6 Investment income

	2023 £	2022 £
Interest income		
Bank deposits	88,596	-
Interest rate swaps income	1,333,202	-
	<hr/>	<hr/>
Total interest revenue	1,421,798	-
	<hr/>	<hr/>

7 Employees

Neither the company nor the group had any employees during the year (2022: 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.

8 Finance costs

	2023 £	Group 2022 £
Interest on bank loans	4,127,196	1,792,506
Interest rate swaps	6,288	489,465
Interest on loans from parent undertaking	517,253	1,818,489
	<hr/>	<hr/>
	4,650,737	4,100,460
	<hr/>	<hr/>

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Income tax expense

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	-	-
Total UK current tax	-	-
Deferred tax		
Origination and reversal of temporary differences	-	-
Total tax charge	-	-

The charge for the year can be reconciled to the (loss)/profit per the Consolidated Statement of Comprehensive Income as follows:

	2023 £	Group 2022 £
(Loss)/profit before taxation	(484,326)	44,818,800
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2022: 19.00%)	(92,022)	8,515,572
Losses not recognised	545,149	(115,255)
Share of (profit)/loss of associate	(588,737)	(9,352,105)
Amounts not recognised	-	(31,417)
Expenses not deductible	135,610	-
Other	-	983,205
Taxation charge for the year	-	-
Unrecognised deferred tax:		
Losses	(2,392,201)	(1,674,899)

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.

At the balance sheet date, the Company has unrecognised tax losses of £9,568,803 (2022: £6,699,596) available for offset against future profits. The total amount of potential deferred tax asset not recognised is £2,392,201 (2022: £1,674,899). No deferred tax asset has been recognised in respect of such losses as it is not considered probable that there will be sufficient future taxable profits available.

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Dividends

Dividends declared after 31 March 2023

On 30 June 2023, the directors approved an interim dividend relating to the year ending 31 March 2024 of £2,798,612, representing £27,986.12 per Ordinary Share which was paid on 7 July 2023.

On 8 November 2023, the directors approved an interim dividend relating to the year ending 31 March 2024 of £2,700,000 representing £27,000 per Ordinary Share which was paid on 9 November 2023.

On 20 December 2023, the directors approved an interim dividend relating to the year ending 31 March 2024 of £3,000,000 representing £30,000 per Ordinary Share which was paid on 22 December 2023.

11 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
OSW LP Holdco Limited	8 White Oak Square, London Road, Swanley, Kent, United Kingdom, BR8 7AG	Ordinary	100.00

12 Investments

	Group Non-current 2023 £	2022 £
Investments in associates	172,976,652	193,300,025
	Company Non-current 2023 £	2022 £
Investments in subsidiaries	250,550	250,550

On 17 August 2017, the group acquired 100% of the share capital of OSW LP Holdco Limited as part of a group wide restructure. The restructure involved incorporating intermediary holding companies to facilitate the purchase of investments in equity accounted for investments as detailed above.

Set out above and below are the carrying values of associates of the group as at 31 March 2023 and 31 March 2022 which, in the opinion of the directors, are material to the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Investments

(Continued)

Movements in non-current investments

	Macquarie GIG Renewable Energy Fund 1 L.P. £	Macquarie GIG Renewable Energy Fund 1 B L.P. £	Total £
Cost or valuation			
At 1 April 2022	147,874,691	45,425,334	193,300,025
Distributions	(17,917,587)	(5,504,402)	(23,421,989)
Share of profit of associates for the year	2,370,441	728,175	3,098,616
Disposals	-	-	-
At 31 March 2023	132,327,545	40,649,107	172,976,652
Cost or valuation			
At 1 April 2021	128,580,428	39,498,469	168,078,897
Distributions	(18,360,265)	(5,640,212)	(24,000,477)
Share of profit of associates for the year	37,654,528	11,567,077	49,221,605
At 31 March 2022	147,874,691	45,425,334	193,300,025
Carrying amount			
At 31 March 2023	132,327,545	40,649,107	172,976,652
At 31 March 2022	147,874,691	45,425,334	193,300,025

13 Associates

The group owns 40% of Macquarie GIG Renewable Energy Fund 1 L.P. ("Fund A") and 20% of Macquarie GIG Renewable Energy Fund 1 B L.P. ("Fund B") through its subsidiary OSW LP Holdco Limited. 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.

Details of the group's associates at 31 March 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Voting
Fund A	Alter Domus, 18 St Swithin's Lane, London, EC4N 8AD	Ordinary	40	40
Fund B	Alter Domus, 18 St Swithin's Lane, London, EC4N 8AD	Ordinary	20	20

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Associates

(Continued)

The tables below and overleaf provide summarised financial information for those associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the group's share of those amounts. Amounts are presented in £ thousands.

Summarised balance sheet	Fund A £'000	Fund B £'000	Total at 31 March 2023 £'000	Fund A £'000	Fund B £'000	Total at 31 March 2022 £'000
Non-current assets	331,103	203,157	534,260	367,405	225,431	592,836
Current assets	1,548	1,150	2,698	4,201	2,850	7,051
Current liabilities	(978)	(1,061)	(2,039)	(1,014)	(1,154)	(2,168)
Net assets	331,673	203,246	534,919	370,592	227,127	597,719
Reconciliation to carrying amount	Fund A £'000	Fund B £'000	Total at 31 March 2023 £'000	Fund A £'000	Fund B £'000	Total at 31 March 2022 £'000
Opening net assets	370,592	227,127	597,719	322,294	197,493	519,787
Profit for the year	3,434	415	3,849	91,693	54,521	146,214
Dividends	(42,353)	(24,296)	(66,649)	(43,395)	(24,887)	(68,282)
Closing net assets	331,673	203,246	534,919	370,592	227,127	597,719
Group's share in %	40%	20%		40%	20%	
Groups' share in £	132,669	40,649	173,318	148,237	45,425	193,662
Expenses allocation adjustment	(341)	-	(341)	(362)	-	(362)
Carrying amount	132,328	40,649	172,977	147,875	45,425	193,300
Reconciliation to share of profit and other comprehensive income in associates	Fund A £'000	Fund B £'000	Total year to 31 March 2023 £'000	Fund A £'000	Fund B £'000	Total year to 31 March 2022 £'000
Revenue	25,580	15,696	41,276	34,919	21,425	56,344
Profit for the year	3,434	415	3,849	91,693	54,521	146,214
	3,434	415	3,849	91,693	54,521	146,214
Group share of profit	1,374	83	1,457	36,677	10,904	47,581
Expense allocation adjustment	996	645	1,641	977	663	1,640
	2,370	728	3,098	37,654	11,567	49,221

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Trade and other receivables

	Group	
	2023	2022
	£	£
Unpaid share capital	199	199
Accrued income	543,916	-
Prepayments	34,266	30,434
	<u>578,381</u>	<u>30,633</u>
	Company	
	2023	2022
	£	£
Unpaid share capital	100	100
Amounts owed by subsidiary undertaking	89,967,345	107,155,984
Accrued income	543,916	-
Prepayments	34,266	30,434
	<u>90,545,627</u>	<u>107,186,518</u>

The amounts owed by subsidiary undertaking are receivable from OSW LP 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 2023, 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%.

The above balance includes accrued interest income of £919,489 (2022: £33,216,963).

During the year, the company recognised £6,233,350 (2022: £6,225,750) of interest as a finance income in the Statement of Comprehensive Income.

15 Trade and other payables

	Group	
	2023	2022
	£	£
Amount owed to parent undertaking	250,550	250,550
Amounts owed to fellow group undertakings	451,783	351,655
Accruals	200,616	120,820
	<u>902,949</u>	<u>723,025</u>

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Trade and other payables

(Continued)

	Company 2023 £	2022 £
Amount owed to parent undertaking	250,550	250,550
Amounts owed to fellow group undertakings	234,719	174,615
Accruals	162,755	89,432
	<u>648,024</u>	<u>514,597</u>

16 Loans and borrowings

	Group Current 2023 £	2022 £	Group Non-current 2023 £	2022 £
Loans and borrowings held:				
Bank loan	10,824,316	9,862,832	81,396,049	91,101,094
Less: Unamortised finance cost	(284,471)	(284,471)	(2,857,956)	(3,142,426)
Loan from parent undertaking	4,319,007	16,721,317	-	-
Interest on loan from parent undertaking	166,489	246,926	-	-
	<u>15,025,341</u>	<u>26,546,604</u>	<u>78,538,093</u>	<u>87,958,668</u>
	Company Current 2023 £	2022 £	Company Non-current 2023 £	2022 £
Loans and borrowings held:				
Bank loan	10,824,316	9,862,832	81,396,049	91,101,094
Less: Unamortised finance cost	(284,471)	(284,471)	(2,857,956)	(3,142,426)
Loan from parent undertaking	4,319,007	16,721,317	-	-
Interest on loan from parent undertaking	166,489	246,926	-	-
	<u>15,025,341</u>	<u>26,546,604</u>	<u>78,538,093</u>	<u>87,958,668</u>

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Loans and borrowings

(Continued)

Bank loan

The bank debt is secured by way of a fixed charge over all the property and undertakings of the company. It is denominated in Pounds Sterling and bears interest at 1.7% over the SONIA rate adjusted for the credit adjustment spread (CAS) of 0.1193% per annum.

A CAS is a calculation to account for any economic difference between LIBOR and SONIA. SONIA is backward-looking daily rate unlike LIBOR which is forward-looking and set for different tenors that already align to typical interest periods. The Bank of England has made it clear there should be no transfer of economic value when loans are transitioning to SONIA and where rates are switching from LIBOR to SONIA. A CAS may be added to the SONIA rate to account for this difference.

The debt is repayable in quarterly instalments, with full repayment to be made by the final maturity date of 15 April 2034.

During the year the group and company recognised interest on bank loans of £4,127,196 (2022: £2,771,436) in the Statement of Comprehensive Income of which £284,471 (2022: £284,471) is related to amortisation of finance cost.

During the year, the group and company made payments totalling £3,147,697 (2022: £1,881,149) related to interest payable and a total of £9,372,822 (2022: £8,723,010) as repayment of bank debt.

Loan from parent

The intercompany loan is payable to OSW Co Holdings 3 Limited. The loan is interest bearing at 7% and is repayable on demand. In the consolidated SOFP, the loan is held at amortised cost. In the company SOFP, the loan is held at fair value to avoid a mismatch with the amounts owed by subsidiary. As at 31 March 2023, 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 group and company recognised finance costs of £517,253 (2022: £1,329,024) in the Statement of Comprehensive Income.

During the year, the group and company made payments of £597,690 (2022: £1,168,602) related to interest payable and a total of £12,402,310 (2022: £5,831,398) as repayment of intercompany loan.

17 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.

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

17 Fair value of financial assets and liabilities

(Continued)

Determining the fair value of financial assets and 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:

Group				
31 March 2023	Level 1	Level 2	Level 3	Total
	£	£	£	£
<i>Financial assets</i>				
Interest rate swaps - hedged	-	11,141,225	-	11,141,225
	-	11,141,225	-	11,141,225
Group				
31 March 2022	Level 1	Level 2	Level 3	Total
	£	£	£	£
<i>Financial assets</i>				
Interest rate swaps - hedged	-	5,078,246	-	5,078,246
	-	5,078,246	-	5,078,246
Company				
31 March 2023	Level 1	Level 2	Level 3	Total
	£	£	£	£
<i>Financial assets</i>				
Interest rate swaps - hedged	-	11,141,225	-	11,141,225
Amounts owed by subsidiary undertaking	-	89,967,345	-	89,967,345
<i>Financial liabilities</i>				
Loan due to parent undertaking (incl. accrued interest)	-	(4,485,496)	-	(4,485,496)
	-	96,623,074	-	96,623,074

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

17 Fair value of financial assets and liabilities

(Continued)

Company				
31 March 2022	Level 1	Level 2	Level 3	Total
	£	£	£	£
<i>Financial assets</i>				
Interest rate swaps - hedged	-	5,078,246	-	5,078,246
Amounts owed by subsidiary undertaking		107,155,984		107,155,984
<i>Financial liabilities</i>				
Loan due to parent undertaking (incl. accrued interest)	-	(16,968,243)	-	(16,968,243)
	-	95,265,987	-	95,265,987

During the years ended 31 March 2023 and 2022, there have been no transfers between Level 1, Level 2, and Level 3 fair value measurements.

The group had no financial liabilities held at fair value as at 31 March 2023

18 Financial instruments

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Carrying amount of financial assets				
Measured at fair value through OCI				
- Derivative financial instruments	11,141,225	5,078,246	11,141,225	5,078,246
Measured at amortised cost				
- Unpaid share capital	199	199	100	100
Measured at fair value through profit or loss				
- Amounts owed by subsidiary undertaking	-	-	89,967,345	107,155,984
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Loan due to parent undertaking (incl. accrued interest)	-	-	(4,485,496)	(16,968,243)
Measured at amortised cost				
- Trade and other payables	(902,949)	(723,025)	(648,024)	(514,597)
- Loan due to parent undertaking (incl. accrued interest)	(4,485,496)	(16,968,243)	-	-
- Bank loan	(89,077,938)	(97,537,029)	(89,077,938)	(97,537,029)

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

18 Financial instruments

(Continued)

The group and the company are exposed through their operations to the following risks:

- Liquidity risk
- Credit risk
- Interest rate risk

The group and the company are exposed to risks that arise from its use of financial instruments. This and the following notes describe the group's and 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 group's or 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.

The group's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the group's and 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 group's and the company's objectives.

The group'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.

19 Liquidity risk

Liquidity risk is defined as the risk the group or 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 group or 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 group and company use short term finance through intercompany borrowing.

The group's and 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 group's and company's reputation.

The directors monitor the rolling forecasts of the group's and company's liquidity requirements to ensure it has sufficient cash to meet its operational needs.

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

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Liquidity risk

(Continued)

	Less than 1 year	Between 1 and 5 years	More than 5 years	No fixed repayment date	Total
	£	£	£	£	£
At 31 March 2022					
Accruals	120,820	-	-	-	120,820
Amounts due to parent undertaking	-			250,550	250,550
Loans and interest due to parent undertaking	-	-	-	17,215,169	17,215,169
Amounts due to fellow group undertakings				351,655	351,655
Bank loan	9,862,832	39,289,167	51,811,927	-	100,963,926
	<u>9,983,652</u>	<u>39,289,167</u>	<u>51,811,927</u>	<u>17,817,374</u>	<u>118,902,120</u>
At 31 March 2023					
Accruals	200,616	-	-	-	200,616
Amounts due to parent undertaking	-	-	-	250,550	250,550
Loans and interest due to parent undertaking	-	-	-	4,485,496	4,485,496
Amounts due to fellow group undertakings				451,783	451,783
Bank loan	10,824,316	40,577,282	40,818,768	-	92,220,366
	<u>11,024,932</u>	<u>40,577,282</u>	<u>40,818,768</u>	<u>5,187,829</u>	<u>97,608,811</u>

From the current performance of the group and the company, there is no indication for the next 12 months that the group nor the company will face any significant liquidity risk. Also, refer to note 1.3 for going concern assessment.

20 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 carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the group's maximum exposure to credit risk.

Neither the group nor the company hold any collateral or other credit enhancements to cover this credit risk.

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21 Market risk

Market risk management

Interest rate risk

Interest rate risk is the risk of loss through unhedged or mismatched asset and liability positions sensitive to changes in interest rates.

Following the discontinuation of LIBOR on 31 December 2021, the group and company entered into loan and swap amendments whereby a compounded SONIA reference rate and credit adjustment spread replaced LIBOR as the floating rate on the bank loan and swap.

The group and company are exposed to changing interest rates as interest on its borrowings from the bank is based on a fixed margin over SONIA. However, the group and company have eliminated this risk by entering into interest rate swap agreements with similar characteristics to hedge the related risk. The group and the company do not have a transaction exposure to changing interest rates on its borrowings from shareholders and loan to associates as interest is charged at a fixed rate of 7%.

Sensitivity analysis

The group and company are exposed to interest rate risk through its issued debt instruments. However, the group and company have matched the principal amount of the interest-bearing liability with the notional amount of the swaps and all terms between the interest bearing financial instrument and the swaps are replicated in each other or do not cause any ineffectiveness. Thus, any change in market interest rate would not have an impact on the group's nor the company's Statement of Comprehensive Income.

22 Capital risk management

The capital of the group is represented by the equity. The group'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 group.

In accordance with the group's investment policy, the group'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 group's capital on an ongoing basis.

The group is not subject to any externally imposed capital requirements.

23 Interest rate swaps

The group and company uses interest swaps to hedge a significant portion of its estimated exposure to changes in interest rates in respect of its borrowings. These contracts are negotiated to manage the terms of the commitments and will generally mature every three months with any effect to be recognised in profit or loss on that basis to match the depreciation of asset under construction once operations commence.

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Interest rate swaps

(Continued)

Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. Further information about the derivatives used by the group is provided below.

Exposure arises from the variability in future interest cash flows on liabilities which bear interest at variable rates. Interest rate swaps are maintained, and designated as cash flow hedges, where they qualify, to manage this exposure. Fair value changes on designated cash flow hedges are initially recognised directly in the cash flow hedge reserve, as gains or losses recognised in OCI and any ineffective portion is recognised directly in the cash flow hedge reserve, as gains or losses recognised immediately in profit or loss. Amounts are transferred from equity and recognised in profit or loss as the income or expense is recognised on the hedged item. The derivative financial instrument is classified as level 2 on the fair value measurement hierarchy.

	Average rate	Fair value of assets	Fair value of liabilities
		£	£
2023 Interest rate swap	2.45%	11,141,225	-
2022 Interest rate swap	0.49%	5,078,246	-

The amount of interest rate cash flow hedges included in other comprehensive income for the year ended 31 March was as follows:

	2023 £	2022 £
Interest rate swaps cash flow hedges	6,062,979	5,081,741
Tax effect of interest rate cash flow hedges	-	-
Other comprehensive income	6,062,979	5,081,741

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

The group/company enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The group/company does not hedge 100% of its loans, so the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. Since all critical terms matched during the year, the economic relationship was 100% effective.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It might occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan; and
- differences in critical terms between the interest rate swaps and loans.

There was no ineffectiveness during 2023 in relation to the interest rate swap.

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

24 Called up share capital

	Group/ Company 2023 Number	Group/ Company 2022 Number	Group/ Company 2023 £	Group/ Company 2022 £
Ordinary share capital				
Authorised				
Ordinary of £1 each	100	100	100	100
Issued and not fully paid				
Ordinary of £1 each	100	100	100	100

The group and company have only issued ordinary shares as at the reporting date.

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

No share capital was issued in the year (2022: nil).

25 Hedging reserve

	2023 £	2022 £
At the beginning of the year	5,078,246	(3,495)
Gains on cash flow hedges	6,062,979	5,081,741
At the end of the year	11,141,225	5,078,246

The group's hedging reserves is disclosed in "hedging reserve" in the Consolidated Statement of Financial Position and relates to interest rate swaps.

There were no reclassifications from the cash flow hedge reserve to profit or loss during the year.

26 Related party transactions

As disclosed in note 11 to these financial statements, the group has investments in associates at year end. The investments are considered related parties. During the year, the group received £17,917,587 (2022: £18,360,265) from Macquarie GIG Renewable Energy Fund 1 L.P. ("Fund A") and £5,504,402 (2022: £5,640,212) from Macquarie GIG Renewable Energy Fund 1 B L.P. ("Fund B").

At the year end, the group and the company owed the amount of £4,485,496 (2022: £16,968,243) which included interest of £166,489 (2022: £246,926) to the shareholder, OSW Co Holdings 3 Limited. The group and the company also owed the parent OSW Co Holdings 3 Limited an amount of £250,550 (2022: £250,550) relating to unpaid initial investment.

OSW Co 3 Holdings Limited owed the group and the company an amount of £100 (2022: £100) related to the initial share capital of OSW Co Investments Limited, as disclosed in note 14.

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

26 Related party transactions

(Continued)

At the year end; an amount of £99 (2022: £99) was owed to the group from OSW Co Holdings 2 Limited as also disclosed in note 14 related to the initial share capital in OSW LP Holdco Limited, while the group owed the amount of £451,783 (2022: £351,655) to OSW Co 2 Holdings Limited related to invoices paid on behalf of the group.

Further to the above, the company was owed an amount of £89,967,345 (2022: £107,155,985) from its subsidiary which included interest of £919,489 (2022: £33,216,963). See note 14 for further details.

27 Controlling party

As at 31 March 2023, the group's immediate parent undertaking was OSW Co Holdings 3 Limited and its ultimate parent and ultimate controlling party was UK Green Investment Rampion Limited, a company incorporated 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.beta.companieshouse.gov.uk).

28 Cash used in operations - Group

	2023 £	2022 £
(Loss)/profit for the year after tax	(484,326)	44,818,800
Adjustments for:		
Share of profit of associate	(3,098,616)	(49,221,605)
Finance costs	4,650,737	4,100,460
Investment income	(1,421,798)	-
Movements in working capital:		
Increase in trade and other receivables	(3,946)	(1,143)
Increase in trade and other payables	179,923	67,658
Cash used in operations	(178,026)	(235,830)

OSW CO INVESTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

29 Cash used in operations - Company

	2023 £	2022 £
Profit for the year after tax	2,775,255	1,870,790
Adjustments for:		
Finance costs	4,650,737	4,100,460
Interest on loan to subsidiary undertaking	(7,655,149)	(6,225,750)
Movements in working capital:		
Increase in trade and other receivables	(3,945)	(1,143)
Increase in trade and other payables	55,076	19,813
Cash used in operations	<u>(178,026)</u>	<u>(235,830)</u>

30 Subsequent event

On 20 April 2023, MEIF 5 Green Infrastructure Holdings S.a.r.l. sold its 50% investment in UK Green Investment Rampion Limited (ultimate parent of OSW Co Investments Limited) to Equitix Aragorn Bidco Limited.

Post year end the Directors approved three interim dividends relating to the year ending 31 March 2024. Details of these dividends can be found on note 10.