

Berkeley Partners LLP

Members' report and financial statements

For the year ended 31 December 2021

Registered number: OC332951

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COMPANIES HOUSE

Management and administration

Members: Tarlochan Singh Kundi
Berkeley Energy Limited

Registered office: 4 Old Park Lane
Mayfair, London
W1K 1QW

Company number: OC332951

Auditor: Saffery Champness LLP
Chartered Accountants
71 Queen Victoria Street
London,
EC4V 4BE

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Members' report

The members present their report and financial statements for Berkeley Partners LLP ("the LLP") for the year ended 31 December 2021.

Principal Activities

The LLP acts as a private equity fund manager specialising in renewable energy infrastructure investments in developing markets.

Business Review

Having been established in December 2009 with €50m of commitments, the Renewable Energy Asia Fund LP (REAF) and its parallel vehicle, Renewable Energy Asia Fund 'A' LP (REAF A) (collectively "Fund I") ended fund raising in 2011 with a total of €86m, committed from 14 limited partners. The final close of Fund I was 29 April 2011. Renewable Energy Asia Fund II LP (REAF II) and its parallel vehicle, Renewable Energy Asia Fund II 'A' LP (REAF A) (collectively "Fund II") were established in 2015. As at 31 December 2021, Fund II had a total commitment of USD 201m from 28 limited partners. On 14 June 2021, the LLP reached a first close of an African Fund, Africa Renewable Energy Fund II SCS ("AREF II"), domiciled in Luxembourg with 7 limited partners committing €130.5m.

The LLP manages Fund I and Fund II under a management agreement with the General Partner, REAF GP (Scotland) Limited. The LLP manages AREF II as part of a Delegation Agreement entered into by the AIFM of the AREF II.

The LLP has two subsidiaries at 31 December 2021:

| Name | Role | % ownership | Location |
|---|----------------------------------|-------------|-----------|
| REAF GP (Scotland) Limited Address: Burness LLP 50 Lothian Road Festival Square, Edinburgh EH3 9WJ | General Partner of REAF GP LP | 100% | Scotland |
| REAF GP Co (Mauritius) Limited Address: c/o Axis Corporate Consultants Ltd 2 nd Floor, The AXIS, 26 Cybercity, Ebene 72201, Mauritius | General Partner of REAF II GP LP | 50% | Mauritius |

Members

The members of the LLP throughout the year and at 31 December 2021 were:

Tarlochan Singh Kundi
Berkeley Energy Limited

Mr Tarlochan Singh Kundi is a Designated Member.

Members' report (continued)

Members' Capital

Under the terms of the Members' Agreement, each Initial Member shall contribute the amount resolved to be contributed by unanimous resolution, to ensure that the LLP maintains sufficient regulatory capital for FCA purposes. As at 31 December 2021, £5,000 (2020: £5,000) members' capital has been classified as equity, with £40,000 (2020: £40,000) of capital recorded as a liability.

Members' Profits and Losses

Members' profits and losses are allocated between the members based on their respective profit share during the financial year. Drawings are paid from time to time and are based on the schedule of members' drawings as agreed between the members.

Subsequent events

The members have signified their intention to liquidate REAF GP (Scotland) Limited in 2022. At the year end date, no statutory steps had commenced to begin any liquidation proceedings.

Disclosure of information to auditor

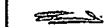
The members who held office at the date of approval of this members' report confirm that, so far as they are aware, there is no relevant audit information of which the LLP's auditor is unaware; and each member has taken all the steps that he ought to have taken as a member to make himself aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

Auditor

Pursuant to Section 489 of the Companies Act 2006, Saffery Champness LLP will be deemed to be re-appointed and will therefore continue in office.

Approved by the Members on 25 April 2022

DocuSigned by:



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Tarlochan Singh Kundi
Designated member

Statement of member's responsibilities in respect of the Members' Report and the financial statements

The members are responsible for preparing the Members' Report and the LLP financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of its profit or loss for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

Berkeley Partners LLP
Independent auditor's report
To the members of Berkeley Partners LLP

Independent auditor's report to the members of Berkeley Partners LLP

We have audited the financial statements of Berkeley Partners LLP (the 'limited liability partnership') for the year ended 31 December 2021 which comprise the income statement, the statement of financial position, the reconciliation of members' interests and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relation to going concern

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

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 limited liability partnership'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.

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

Other Information

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Berkeley Partners LLP
Independent auditor's report (continued)
To the members of Berkeley Partners LLP

Other information (continued)

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Berkeley Partners LLP
Independent auditor's report (continued)
To the members of Berkeley Partners LLP

Auditor's responsibilities for the audit of the financial statements (continued)

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the limited liability partnership's financial statements to material misstatement and how fraud might occur, including through discussions with the members, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the limited liability partnership by discussions with members and by updating our understanding of the sector in which the limited liability partnership operates.

Laws and regulations of direct significance in the context of the limited liability partnership include The Companies Act 2006 as applied to limited liability partnerships and UK Tax legislation.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the limited liability partnership's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the limited liability partnership's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Berkeley Partners LLP
Independent auditor's report (continued)
To the members of Berkeley Partners LLP

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Roger Weston (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

26 April 2022

Chartered Accountants
Statutory Auditors



71 Queen Victoria Street
London
EC4V 4BE

Income Statement
for the year ended 31 December 2021

| | <i>Note</i> | Year ended 31-Dec-21 £ | Year ended 31-Dec-20 £ |
|---|-------------|------------------------------|------------------------------|
| Turnover | 2 | 4,080,759 | 3,539,234 |
| Operating expenses | 3 | (3,924,642) | (3,422,478) |
| Operating profit | | 156,117 | 116,756 |
| Other interest receivable and similar income | | - | - |
| Forex gains/(losses) | | 3,012 | (6,252) |
| Profit for the financial year before members' remuneration and profit shares | | 159,129 | 110,504 |
| Result for the financial year available for discretionary division among members | | 159,129 | 110,504 |

The LLP has no recognised gains and losses other than the profit above and therefore no separate statement of comprehensive income has been presented.

All the results shown in the above profit and loss account are from continuing operations.

The notes on pages 11 to 19 form part of these financial statements.

Statement of Financial Position
as at 31 December 2021

| | <i>Note</i> | 31-Dec-21 | 31-Dec-20 |
|---|-------------|------------------|------------------|
| | | £ | £ |
| Fixed Assets | | | |
| Investment in subsidiaries | 5 | 1 | 1 |
| Tangible fixed assets | 6 | 6,412 | 1,895 |
| | | <u>6,413</u> | <u>1,896</u> |
| Current assets | | | |
| Debtors and prepayments | 7 | 1,390,687 | 1,082,158 |
| Cash at bank and in hand | | 26,103 | 155,881 |
| Total current assets | | <u>1,416,790</u> | <u>1,238,039</u> |
| Current Liabilities | | | |
| Creditors: amounts falling due within one year | 8 | 1,090,352 | 1,066,213 |
| Net current assets | | <u>326,438</u> | <u>171,826</u> |
| Net assets attributable to members | | <u>332,851</u> | <u>173,722</u> |
| Represented by: | | | |
| Loans and other debts due to members within one year | | | |
| Members' capital treated as liability | | 40,000 | 40,000 |
| Members' other interests - Other reserves | | 287,851 | 128,722 |
| | | <u>327,851</u> | <u>168,722</u> |
| Member's Other Interest | | | |
| Members' capital | | 5,000 | 5,000 |
| Loans and other debts due to members | | 327,851 | 168,722 |
| | | <u>332,851</u> | <u>173,722</u> |

These financial statements were approved by the members on 25 April 2022 and were signed on their behalf by:

DocuSigned by:



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Tarlochan Singh Kundi
Designated member

The notes on pages 11 to 19 form part of these financial statements.

**Reconciliation of members' interests
for the year ended 31 December 2021**

| | <u>Members' other interests</u> | <u>Loans and other debts due to members</u> | <u>Total members' interests</u> |
|---|---|---|---|
| | Members' capital (classified as equity) | Member's capital (classified as a liability) | Other amounts |
| | £ | £ | £ |
| Members' interests at 1 January 2020 | 5,000 | 40,000 | 18,218 |
| Result for the financial year available for discretionary division among members | - | - | 110,504 |
| Members' interests after profit for the year | 5,000 | 40,000 | 128,722 |
| Members' interests at 31 December 2020 | 5,000 | 40,000 | 128,722 |
| Members' interests at 1 January 2021 | 5,000 | 40,000 | 128,722 |
| Result for the financial year available for discretionary division among members | - | - | 159,129 |
| Members' interests after profit for the year | 5,000 | 40,000 | 287,851 |
| Members' interests at 31 December 2021 | 5,000 | 40,000 | 287,851 |

The notes on pages 11 to 19 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies

Limited liability partnership information

Berkeley Partners LLP is a limited liability partnership, registered no. OC340425, incorporated in the United Kingdom. It is registered in England with a registered office at 4 Old Park Lane, Mayfair, London W1K 1QW. Berkeley Partners LLP is the fund manager of Renewable Energy Asia Fund L.P. ("REAF") and Renewable Energy Asia Fund II L.P. ("REAF II") and the Investment Manager of Africa Renewable Energy Fund II SCS ("AREF II").

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in January 2017, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This LLP is a qualifying entity for the purposes of FRS102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this LLP, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The LLP has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of cash flow and related notes and disclosures.

The LLP has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the LLP as an individual entity and not about its group.

The financial statements of the LLP are consolidated in the financial statements of Berkeley Energy Limited. These consolidated financial statements are available from its registered office at c/o Axis Corporate Consultants Ltd, 2nd Floor, The AXIS, Ebene 72201, Mauritius.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies (continued)

1.3 Turnover

Turnover consists of management and consultancy fees charged to other group entities. These are recognised on an accruals basis.

1.4 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as 'Amounts due from members' within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Computers and office equipment: Straight line over three years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

1.6 Fixed asset Investments

Interests in subsidiaries, associates and jointly controlled entities 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.

A subsidiary is an entity controlled by the LLP. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the LLP reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the LLP estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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

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

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies (continued)

1.7 Impairment of fixed assets (continued)

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

1.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and bank balances.

1.9 Financial instruments

The LLP has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the LLP's statement of financial position when LLP becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies (continued)

1.9 Financial instruments (continued)

Impairment of financial assets (continued)

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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the LLP transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the LLP's obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the LLP are recorded at the proceeds received, net of direct issue costs.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Notes to the financial statements for the year ended 31 December 2021**1 Accounting policies (continued)****1.12 Retirement benefits**

The company usually operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Critical accounting judgements and key sources of estimation uncertainty

In the application of the LLP's accounting policies, the members 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Turnover

| | 2021 £ | 2020 £ |
|--------------------------|------------------|------------------|
| Management fees | 4,053,899 | 3,510,289 |
| Fund administration fees | 26,860 | 28,945 |
| | <u>4,080,759</u> | <u>3,539,234</u> |

Turnover is wholly derived from within the United Kingdom.

3 Operating profit

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Operating profit is stated after charging: | | |
| Depreciation | 1,582 | 1,676 |
| Auditors' remuneration – audit fees | 22,975 | 20,750 |
| Other expenses | 3,900,085 | 3,400,052 |
| | <u>3,924,642</u> | <u>3,422,478</u> |

Notes to the financial statements for the year ended 31 December 2021

4 Staff members and costs

| | 2021 | 2020 |
|------------------------------------|----------------|---------------|
| | £ | £ |
| Staff costs include the following: | | |
| Wages and salaries | 96,429 | 32,957 |
| Social security costs | 11,967 | 11,118 |
| Pension contributions | 985 | - |
| | <u>109,381</u> | <u>44,075</u> |

The average number of staff employed by the LLP (excluding members) during the year was 3 (2020: 1).

5 Investment in subsidiaries

The LLP holds investments in REAF GP (Scotland) Limited and REAF GP Co (Mauritius) Limited.

| | 2021 | 2020 |
|------------------------|----------|----------|
| | £ | £ |
| Balance at 1 January | <u>1</u> | <u>1</u> |
| Balance at 31 December | <u>1</u> | <u>1</u> |

| Name of undertaking | Nature of the business | Class of shares held | % held | |
|--------------------------------|---|----------------------|--------|----------|
| | | | Direct | Indirect |
| REAF GP (Scotland) Limited | General Partner of REAF GP LP and first recipient of management fees for REAF. | Ordinary | 100% | - |
| REAF GP Co (Mauritius) Limited | General Partner of REAF GP LP and first recipient of management fees for REAF II. | Ordinary | 50% | - |

Details of subsidiaries' registered offices are contained within the members' report.

Notes to the financial statements for the year ended 31 December 2021**6 Fixed assets**

| | Computer & office equipment £ | Total Fixed Assets £ |
|-----------------------|--|-------------------------------|
| <i>Cost</i> | | |
| At 1 January 2021 | 27,513 | 27,513 |
| Additions | 6,099 | 6,099 |
| At 31 December 2021 | <u>33,612</u> | <u>33,612</u> |
| <i>Depreciation</i> | | |
| At 1 January 2021 | 25,618 | 25,618 |
| Provided for the year | 1,582 | 1,582 |
| At 31 December 2021 | <u>27,200</u> | <u>27,200</u> |
| <i>Net book value</i> | | |
| At 31 December 2021 | <u>6,412</u> | <u>6,412</u> |
| At 31 December 2020 | <u>1,895</u> | <u>1,895</u> |

7 Debtors and prepayments

| | 2021 £ | 2020 £ |
|---------------------------|------------------|------------------|
| Due from projects | 42,519 | 95,926 |
| Due from REAF GP Scotland | 1,104,173 | 788,655 |
| Other debtors | 243,995 | 197,577 |
| | <u>1,390,687</u> | <u>1,082,158</u> |

8 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|-------------------------|------------------|------------------|
| Service fee payable | 400,000 | 250,000 |
| GPS received in advance | 638,904 | 747,266 |
| Accruals | 51,448 | 68,947 |
| | <u>1,090,352</u> | <u>1,066,213</u> |

The average number of members during the year was 2 (2020: 2). No member of the LLP was allocated profits in 2021 (2020: none).

In the event of a winding up of the LLP, monies due to creditors will be paid before any distributions of loans and other debts due to members.

Notes to the financial statements for the year ended 31 December 2021

9 Related party disclosures

The LLP has taken advantage of the exemption available in accordance with FRS 102 Section 33 not to disclose transactions entered into between two or more members of a group, as the LLP is a wholly owned subsidiary undertaking of the group.

10 Ultimate controlling party

At 31 December 2021, the immediate parent and ultimate controlling party was Berkeley Energy Limited ('BEL'), a company incorporated under the laws of Mauritius and having its registered office at c/o Axis Corporate Consultants Ltd, 2nd Floor, The AXIS, 26 Cybercity, Ebene 72201, Mauritius. The LLP is consolidated under the financials of BEL and is the largest and smallest group that prepares consolidated financial statements.

11 Subsequent events

The members have signified their intention to liquidate REAF GP (Scotland) Limited in 2022. At the date of approval of these financial statements, no statutory procedures had commenced to initiate liquidation proceedings. No adjustments were made to the financial statements for this matter.