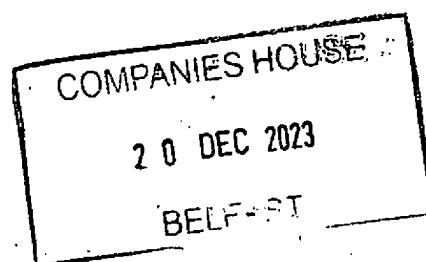
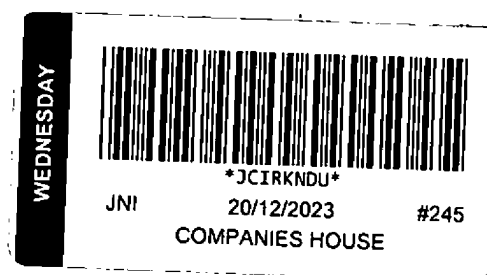


**Company No: SC450100 (Scotland)**



**BALCAS SPV NO.2 LIMITED**  
**Annual Report and Financial Statements**  
**For the financial year ended 30 March 2023**



**BALCAS SPV NO.2 LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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**CONTENTS**

DIRECTORS AND OTHER INFORMATION	2
DIRECTORS' RESPONSIBILITIES STATEMENT	3
BALANCE SHEET	4
NOTES TO THE FINANCIAL STATEMENTS	5

**BALCAS SPV NO.2 LIMITED**  
**DIRECTORS AND OTHER INFORMATION**

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**DIRECTORS**

Sophie Rebecca Blackburn  
Mike Glennon  
Patrick John Glennon  
Urmo Helnam

**REGISTERED OFFICE**

Unit 32 Cromarty Firth Industrial Park  
IV18 0LT  
Invergordon  
United Kingdom

**COMPANY NUMBER**

SC450100 (Scotland)

**AUDITOR**

Deloitte (NI) Limited  
Chartered Accountants & Statutory Audit Firm  
Lincoln Building  
27 - 45 Great Victoria Street  
Belfast  
BT2 7AQ

**BANKERS**

Barclays Bank PLC  
Level 5, One Snowhill  
Snow Hill Queensway  
Birmingham  
BT4 6GN

**SOLICITORS**

Johnsons  
Johnsons House  
50-56 Wellington Place  
Belfast  
BT1 6GF

**BALCAS SPV NO.2 LIMITED**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**BALCAS SPV NO.2 LIMITED****BALANCE SHEET****AS AT 30 MARCH 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	2	2,903,939	3,151,307
		<b>2,903,939</b>	<b>3,151,307</b>
<b>Current assets</b>			
Stock	3	82,292	64,437
Debtors	4	948,531	587,767
Cash at bank and in hand		44,049	165,803
		<b>1,074,872</b>	<b>818,007</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	5	(1,406,558)	(1,534,805)
<b>Net current liabilities</b>		<b>(331,686)</b>	<b>(716,798)</b>
<b>Total assets less current liabilities</b>		<b>2,572,253</b>	<b>2,434,509</b>
Creditors: amounts falling due after more than one year	6	-	(305,161)
Provision for liabilities	7	(513,851)	(535,000)
<b>Net assets</b>		<b>2,058,402</b>	<b>1,594,348</b>
<b>Capital and reserves</b>			
Called-up share capital	8	46,499	46,499
Profit and loss account	9	2,011,903	1,547,849
<b>Total shareholders' funds</b>		<b>2,058,402</b>	<b>1,594,348</b>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

As permitted by Section 444 of the Companies Act 2006, the directors have not delivered to the registrar a copy of the directors' report or the company's profit and loss account for the year ended 30 March 2023.

The notes on pages 5 to 11 are an integral part of these financial statements.

The financial statements of Balcas SPV No.2 Limited (registered number: SC450100) were approved and authorised for issue by the Board of Directors on 14 December 2023. They were signed on its behalf by:

  
Patrick Glennon  
Director

## **BALCAS SPV NO.2 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE FINANCIAL YEAR ENDED 30 MARCH 2023**

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#### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year.

##### **General information and basis of accounting**

Balcas SPV No.2 Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is Unit 32 Cromarty Firth Industrial Park, IV18 0LT, Invergordon, United Kingdom. The principal activities during the financial year was the provision of heat energy derived from biomass fuelled boilers.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) applicable in the UK and Republic of Ireland issued by the Financial Reporting Council.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The functional currency of Balcas SPV No.2 Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company's financial statement year covers the period from 1 April 2022 to 30 March 2023 ("2023") with comparative figures for the period from 26 March 2021 to 31 March 2022 ("2022").

##### **Going concern**

The principal activities during the financial year was the provision of heat energy derived from biomass fuelled boilers. The Company is funded primarily through related party loan notes.

The Directors acknowledge that the balance sheet shows a net current liability position of £331,686 (2022: £716,798). Balcas Timber Limited have advised they will finance working capital requirements, if required, for Balcas SPV No.2 Limited to ensure they can continue their day-to-day business. Balcas Timber Limited will do this, if required, for a period of 12 months from date of signing of Annual Report and Financial Statements for the year ended 30 March 2023.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate at its current capacity for at least 12 months from the date of approval of the financial statements.

##### **Turnover**

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**BALCAS SPV NO.2 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 30 MARCH 2023**

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**Taxation (continued)**

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment is measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to the sale of the asset.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the Company and the Company intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any allowance for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Plant and machinery	- 20 years
Computer equipment	- 3 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**Borrowing costs**

Borrowing costs that are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

**Leases**

***The Company as lessor***

Income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account.

**BALCAS SPV NO.2 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 30 MARCH 2023**

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**Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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 Company after deducting all of its liabilities.

**Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Profit and Loss Account, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset in the Balance Sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through the Profit and Loss Account.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.



**BALCAS SPV NO.2 LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 30 MARCH 2023****Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**Auditor's report**

The auditor's report on the financial statements was unqualified and was signed by Jason Starbuck ACA (Senior Statutory Auditor) for and on behalf of Deloitte (NI) Limited, Belfast, Northern Ireland (Chartered Accountant and Statutory Auditor) on 14 December 2023.

**2. Tangible assets**

	Plant and machinery £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2022	4,947,595	10,463	4,958,058
<b>At 30 March 2023</b>	<b>4,947,595</b>	<b>10,463</b>	<b>4,958,058</b>
<b>Accumulated depreciation</b>			
At 1 April 2022	1,796,288	10,463	1,806,751
Charge for the financial year	247,368	-	247,368
<b>At 30 March 2023</b>	<b>2,043,656</b>	<b>10,463</b>	<b>2,054,119</b>
<b>Carrying value</b>			
<b>At 30 March 2023</b>	<b>2,093,939</b>	<b>-</b>	<b>2,903,939</b>
At 1 April 2022	3,151,307	-	3,151,307

**3. Stocks**

	2023 £	2022 £
Raw materials and consumables	82,292	64,437
	<b>82,292</b>	<b>64,437</b>

**4. Debtors**

	2023 £	2022 £
Trade debtors	522,912	282,381
Prepayments and accrued income	422,620	305,386
Corporation tax debtor	2,999	-
	<b>948,531</b>	<b>587,767</b>

**BALCAS SPV NO.2 LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 30 MARCH 2023****5. Creditors: amounts falling due within one year**

	2023	2022
	£	£
Trade creditors	999,985	696,431
Related party loan notes	305,161	693,487
VAT	55,337	54,610
Corporation tax	-	17,263
Accruals	46,075	73,014
	<b>1,406,558</b>	<b>1,534,805</b>

**6. Creditors: amounts falling due after more than one year**

	2023	2022
	£	£
Related party loan notes	-	305,161

At the end of the reporting period the related party loans notes are held by Equitix ESI Finance Limited. They are secured by a floating charge over the assets of the Company which is held through a separate security agreement by Equitix ESI Trustee Limited, acting as a security Trustee for and on behalf of the note holders. Related party details are contained in note 11.

Borrowings are repayable as follows:

	2023	2022
	£	£
Between one and two years	-	305,161
Between two and five years	-	-
After five years	-	-
		<b>305,161</b>
On demand or within one year	305,161	693,487
	<b>305,161</b>	<b>998,648</b>

**7. Deferred tax**

	2023	2022
	£	£
At the beginning of financial year	(535,000)	(319,861)
Credited/ (charged) to the Profit and Loss Account	21,149	(215,139)
At the end of financial year	<b>(513,851)</b>	<b>(535,000)</b>

The deferred taxation balance is made up as follows:

	2023	2022
	£	£
Other timing differences	(513,851)	(535,000)
	<b>(513,851)</b>	<b>(535,000)</b>

**BALCAS SPV NO.2 LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 30 MARCH 2023****8. Called-up share capital and reserves**

	2023 £	2022 £
<b>Allotted, called-up and fully-paid</b>		
46,499 Ordinary shares of £1.00 each	46,499	46,499
<b>Presented as follows:</b>		
Called-up share capital presented as equity	46,499	46,499

The Company has two classes of ordinary shares which carry no right to fixed income:

25,575 ordinary "A" shares of £1 each (2022: 25,575 ordinary "A" shares of £1 each)

20,924 ordinary "B" shares of £1 each (2022: 20,924 ordinary "B" shares of £1 each)

The Company's other reserves are as follows:

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

**9. Profit and loss account**

	2023 £	2022 £
At the beginning of the financial year	1,547,849	1,249,335
Profit for the financial year	464,054	298,514
<b>At the end of the financial year</b>	<b>2,011,903</b>	<b>1,547,849</b>

**10. Operating leases****Plant and Machinery**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
- within one year	678,066	773,484
- between one and five years	746,609	1,424,675
- after five years	-	-
	<b>1,424,675</b>	<b>2,198,159</b>

**11. Related party transactions**

At the end of the reporting period included within note 5 and note 6 are loans notes due to Equitix ESI Finance Limited amounting to £305,161 (2022: £693,487) and £nil (2022: £305,161) respectively. During the year the company incurred interest of £73,102 (2022: £161,881) on these loans notes. Equitix ESI Finance Limited is related by virtue of being under common control of the owners of Equitix ESI Biomass Limited, the Company's majority shareholder. At year end a balance of £13,225 (2022: £40,848) was due to it in respect of interest.

The company also purchased goods and services amounting to £3,402,603 (2022: £2,828,624) from Balcas Timber Limited, a wholly owned subsidiary of Balcas Limited which owns 45% of the share capital of Balcas SPV No.2 Limited. At the year-end a balance of £999,985 (2022: £693,791) is included within trade creditors and a balance of £nil (2022: £15,000) is included within accruals.

The remuneration of key management personnel for the year totaled £nil (2022: £nil).

## **BALCAS SPV NO.2 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 30 MARCH 2023**

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#### **12. Controlling party**

At the end of the reporting period, Equitix ESI Biomass Limited, a limited company registered in England and Wales, controls the company as a result of controlling 55% of the issued share capital of the company. Copies of its financial statements are available from its registered office, 3rd Floor, South Building, 200 Aldersgate Street, London, England EC1A 4HD.

At the end of the reporting period the ultimate parent and controlling entity of Equitix ESI Biomass Limited was Equitix Energy Efficiency Fund LP, a limited partnership registered in England and Wales. Their registered office was 3rd Floor, South Building, 200 Aldersgate Street, London, England EC1A 4HD. Please see note 13 which outlines a change in ultimate parent and controlling entity post year end.

The companies results were not consolidated as the parent company and the ultimate parent entity meet the definition of Investment Entities under IFRS 10.

#### **13. Subsequent Events**

Gren Energy Limited, a limited company registered in England and Wales, acquired the asset portfolio owned by Equitix Energy Efficiency Fund LP including Equitix ESI Biomass Limited, Equitix ESI Finance Limited and Equitix ESI Trustee Limited on 2<sup>nd</sup> May 2023.

*Gren Energy Limited's registered office 1 Bartholomew Lane, London, England, EC2N 2AX.*

Gren Energy Limited's ultimate parent company is Partners Group Holding AG, a company registered in Switzerland whose shares are publicly traded on the SIX Swiss Exchange. The address of their registered office is Zugerstrasse 57, 6341 Baar-Zug, Switzerland.

Equitix ESI Biomass Limited was renamed Gren Biomass Limited on 2<sup>nd</sup> June 2023. It continues to hold a 55% shareholding in Balcas SPV No. 2 Limited. Their registered office is 1 Bartholomew Lane, London, England, EC2N 2AX.

Equitix ESI Finance Limited was renamed Gren Finance Limited on 2<sup>nd</sup> June 2023. It continues to hold the loan notes due from Balcas SPV No.2 Limited. Their registered office is 1 Bartholomew Lane, London, England, EC2N 2AX.

Equitix ESI Trustee Limited was renamed Gren Trustee Limited on 2<sup>nd</sup> June 2023. It continues to hold a floating charge over the assets of the Company acting as a security trustee for and on behalf of the loan note holders. Their registered office is 1 Bartholomew Lane, London, England, EC2N 2AX.