Company Registration No. 08183603

Ramsey II Limited

Annual Report and Unaudited Financial Statements

For the year ended 31 December 2021

Ramsey II Limited

Annual report and Unaudited financial statements for the year ended 31 December 2021

Contents

Ramsey II Limited

Officers and professional advisers

Directors
E Andrew
J Sherman

Bankers
HSBC
3 Rivergate
Temple Quay
Bristol
BS1 6ER

Registered office
C/O Res White Limited
Beaufort Court
Egg Farm Lane
Kings Langley
Hertfordshire
WD4 8LR
United Kingdom

Ramsey II Limited

Directors' report

The directors present their annual report on the affairs of the Company together with the unaudited financial statements for the year ended 31 December 2021.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Further information on the basis of preparation of these financial statements and the going concern assumption can be found in note 1.

Principal activity
The principal activity of the Company in the year under review was the operation of the 8MW wind farm at Ramsey in Cambridgeshire and this is expected to continue to be the principal activity of the Company.

Results and dividends
The profit for the year after taxation was £266,625 (2020: £497,205).

The directors do not recommend the payment of a final dividend (2020: £nil) and no interim dividends were paid in the year (2020: £nil).

Directors
The directors, who served throughout the year unless otherwise stated, were as follows:
R Kraemer (resigned on 24 March 2022)
J Jones (resigned on 24 March 2022)
E Andrew (appointed on 24 March 2022)
J Sherman (appointed on 24 March 2022)

Directors' indemnities
The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

On behalf of the board:

DocuSigned by
Edmund Andrew

Edmund Andrew - Director
28 September 2022

Ramsey II Limited

Statement of comprehensive income
For the year ended 31 December 2021

	Notes	2021	2020
		£	£
Turnover	2	2,058,821	2,082,343
Cost of sales		(1,067,814)	(1,131,250)
Gross profit		991,007	951,093
Administrative expenses		(3,285)	(10,508)
Operating profit	3	987,722	940,585
Net finance charge		(431,416)	(274,245)
Profit on ordinary activities before taxation		556,306	666,340
Tax (charge) / credit on profit on ordinary activities		(289,681)	(169,135)
Profit on ordinary activities after taxation		266,625	497,205
Total comprehensive income for the financial year		266,625	497,205

All items in the above statement derive from continuing operations.

Ramsey II Limited (Registered number: 08183603)

Balance sheet
As at 31 December 2021

	Notes	2021	2020
		£	£
Fixed assets			
Tangible assets	5	8,740,606	9,385,666
Current assets			
Debtors	6	944,251	730,744
Restricted cash		111,546	110,077
Cash at bank and in hand		73,136	164,261
		1,128,933	1,005,082
Creditors: amounts falling due within one year	7	(7,951,857)	(9,009,983)
Net current liabilities		(6,822,924)	(8,004,901)
Total assets less current liabilities		1,917,682	1,380,765
Provisions for liabilities	8	(867,375)	(597,083)
Net assets		1,050,307	783,682
Capital and reserves			
Called-up share capital		1	1
Profit and loss account		1,050,306	783,681
Shareholder's funds		1,050,307	783,681

The Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the Company to obtain audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) Ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of the *Companies Act 2006 relating to financial statements, so far as applicable to the Company.*

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

The financial statements were approved by the Board of Directors on 28 September 2022 and were signed on its behalf by:

DocuSigned by:
Edmund Andrew
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Edmund Andrew - Director

The notes on pages 6 to 16 form part of these financial statements

Ramsey II Limited

Statement of changes in equity
As at 31 December 2021

	Called-up share capital £	Profit and loss account £	Total £
As at 1 January 2020	1	286,476	286,477
Profit for the financial year	-	497,205	497,205
Total comprehensive income	-	497,205	497,205
As at 31 December 2020	1	783,681	783,682
Profit for the financial year	-	266,625	266,625
Total comprehensive income	-	266,625	266,625
As at 31 December 2021	1	1,050,306	1,050,307

The notes on pages 6 to 16 form part of these financial statements

Ramsey II Limited

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

1. Accounting policies

General information

Ramsey II Limited is a private company, limited by shares and registered in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 2.

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the applicable United Kingdom accounting standards, including Financial Reporting Standard 102 section 1A small entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The particular accounting policies adopted are described below and have been applied consistently throughout the current and prior financial period.

Section 1A for small companies has been applied on the basis that the entity meets the criteria set out within the Companies Act. The directors believe the entity is part of an eligible group on the basis that the ultimate controlling party is not listed on any market.

The Company has taken advantage of the exemptions available to small entities under section 1A in relation to presentation of cash flow statement and disclosures of net finance charge, current taxation, financial instruments, share capital and reserves.

The Company is consolidated in the financial statements of its indirect parent company, Equitix Knight Finco Limited, registered in England and Wales and the financial statements are available from the registered office at C/O RES White Limited, Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, England WD4 8LR.

The financial statements are prepared under the historical cost convention, except for the modification to a fair value basis for certain financial instruments as specified in the accounting polices below.

Going concern

The financial statements have been prepared on the basis the Company is a going concern, which the directors consider appropriate.

The directors have separately reviewed integrated forecasts for the Company, for the foreseeable future being at least 12 months from the date of approval of the annual report, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due from cash flows from operations and existing working capital. The review includes stress testing the integrated forecasts to model how the different scenarios might impact the business.

The impact of the COVID-19 pandemic on operations and going concern has been assessed by the directors. To date, there has not been a material impact on the Company's operations or supply chain. The directors saw a negative impact on power prices in the short term at the beginning of the pandemic due to a reduction in demand for electricity and lower commodities prices, however, power prices have since rebounded and stabilised at a level that gives no rise to going concern issues. In addition, towards the end of 2021 electricity prices increased to unprecedented levels due to other external factors including the conflict in Ukraine offsetting any previous negative impact brought about by the pandemic on the electricity market. Whilst power price variability is not welcomed, the other main source of revenue, the buyout revenues on Renewable Obligation Certificates (ROCs), has fixed prices per MWh that adds some certainty to future revenues and therefore the going concern assumption. The directors will continue to closely monitor the situation and to take appropriate action if deemed necessary.

1. Accounting policies (continued)

Going concern (continued)
The directors have written confirmation that Equitix Knight Finco Limited intends to continue to financially support the Company during the 12 months following the date the financial statements are signed.

Critical accounting judgement and key source of estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Deferred taxation
Deferred tax assets are only recognised when management deem that it is highly probable that there will be sufficient taxable profits in future periods which can utilise the deferred tax asset.

Operating lease commitments
The classification of leases as operating or finance leases requires the Company to determine, based on evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires recognition on the balance sheet.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Decommissioning provision
Liabilities for decommissioning costs are recognised when the Company has an obligation to decommission and restore the land, with which the project has been built upon, to its original state. The obligation is assessed annually for changes in estimated costs which are then discounted to their net present value. If the net present value is deemed to be immaterial then no provision is recognised.

Turnover
Turnover represents the value of power generated during the year, excluding value added tax, in the UK.

Turnover recognition
Turnover is recognised when the significant risks and rewards are considered to have transferred to the buyer and is recorded at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before turnover is recognised:

a) Generation and embedded benefits turnover
Turnover from the sale of electricity represents the invoice value, pre sales tax, of electricity provided to third parties and is recognised when electricity is generated. Embedded benefits are paid to generating plant located on the distribution network to reflect the lower cost of transporting electricity to the end user and are recorded at the invoice value.

1. Accounting policies (continued)

Turnover recognition (continued)

b) TRIADS turnover

Turnover from the sale of TRIADS (bonus for generating at peak demand times during the winter months) represents the invoice value, before sales tax, of TRIADS provided to third parties and is recognised when eligible electricity is generated.

c) ROCs turnover

Renewable Obligation Certificates (ROCs) are issued to qualifying renewable generators under the terms of the generating stations OFGEM Renewable Obligation registration. These certificates may be traded separately from the electricity to which they relate. The ROCs are recorded as accrued income at fair value and recognised in turnover when the electricity to which they relate is generated. Any impairment of ROCs due to reduction in the market price is recorded in profit and loss.

Tangible fixed assets

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met, but excludes the costs of day-to-day servicing which is expensed as incurred.

Depreciation is provided on all tangible fixed assets, other than freehold land, at the following annual rates in order to write off each asset over its estimated useful life.

Operating wind sites	-	20 years

Taxation

Current tax, including UK corporation 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1. Accounting policies (continued)

Taxation (continued)
Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Deferred tax assets and liabilities are offset only if the Company has a legally enforceable right to set off current tax assets against current tax liabilities.

Operating leases
Rentals paid under operating leases are charged to income on a straight line basis over the term of the 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.

Cash
Cash at bank and in hand on the balance sheet comprise of cash in hand and deposits held at call with banks.

Restricted cash amounts comprise of cash balances held with the banks that are not available to the Company. The funds are used to provide security against the future decommissioning of the project at the end of its useful life.

Accrued income
Accrued income represents accruals for electricity generation and ROC income not yet billed.

Dividend distribution
Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by the Company's shareholders.

Bank borrowings
Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period which they arise.

Borrowing costs
Borrowing costs are generally expensed as incurred. Borrowing costs that are directly attributable to the construction of an asset are capitalised while the asset is being constructed as part of the cost of that asset. Capitalisation of borrowing costs commences when:

- Expeditures for the asset and borrowing costs are being incurred; and
- Activities necessary to prepare the asset for its intended use are in progress.

Capitalisation ceases when the asset is substantially ready for its intended use or sale. For borrowings associated with a specific asset, the actual rate on that borrowing is used.

Foreign currency translation
Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the balance sheet date, with movements in the sterling equivalent of the balance being taken to the profit and loss account, with the exception of hedged transactions.

1. Accounting policies (continued)

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 profit or loss, 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 only 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).

Ramsey II Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

1. Accounting policies (continued)

Financial Instruments (continued)
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 profit or loss. 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.

Equity instruments
Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

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 profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Ramsey II Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

1. Accounting policies (continued)

Impairment of assets (continued)
Financial assets
For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Decommissioning provision
Liabilities for decommissioning costs are recognised when the Company has an obligation to decommission and restore the land, with which the project has been built upon, to its original state. The obligation is assessed annually for changes in estimated costs which are then discounted to their net present value. If the net present value is deemed to be immaterial then no provision is recognised.

When this provision relates to an asset with sufficient future economic benefits, a decommissioning asset is recognised and included as part of the associated plant and machinery and depreciated accordingly. Changes in these estimates and changes to the discount rates are dealt with prospectively and reflected as an adjustment to the provision with a corresponding decommissioning asset included within plant and machinery. Unwinding of the discount on the provision is included in the income statement within interest expense.

2. Turnover

The total turnover of the Company for the rendering of services for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3. *Operating profit*

	2021 £	2020 £
Operating profit is stated after charging:		
Depreciation (note 5)	645,060	645,060
Rentals under operating leases:		
Other operating leases	54,868	57,172

Ramsey II Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

4. Information regarding directors and employees

The Company has no employees (2020: Nil). No directors received any remuneration from the Company during the year (2020: Nil). Services are provided to the Company through a third party asset management agreement.

5. Tangible fixed assets

	Operating wind sites £
Cost	
At 31 December 2020	13,013,220
At 31 December 2021	13,013,220
Depreciation	
At 31 December 2020	3,627,553
Charge for year	645,060
At 31 December 2021	4,272,613
Net book value	
At 31 December 2021	8,740,606
At 31 December 2020	9,385,666

Included within tangible fixed asset cost is £200,291 (2019: £200,291) of capitalised borrowing costs.

Ramsey II Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

6. Debtors

	2021 £	2020 £
Trade Debtors	-	42
Prepayments and accrued income	565,958	522,479
VAT	14,509	11,134
Deferred tax (note 8)	-	-
Amounts owed by group companies	363,784	197,089
	944,251	730,744

All amounts owed by group companies are repayable on demand and are broken down in table below.

Group company	Nature	2021 £	2020 £
Goonhilly Limited	Group relief	140,794	140,794
Sancton Hill Limited	Group relief	56,295	56,295
Tranche 5 Limited	Group relief	166,695	-
		363,784	197,089

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	23,608	28,723
Accruals	45,920	122,268
Amounts owed to group companies	7,882,329	8,858,992
	7,951,857	9,009,983

All amounts owed to group companies are repayable on demand. Amounts owed to the Company by its subsidiaries are broken down in table below. The interest bearing loans accrue interest at 6.3% per annum, the charge for the year amounted to £428,531 (2020: £268,667).

Group company	Nature	2021 £	2020 £
Tranche 5 Limited	Interest free loan	1,057,968	2,056,915
Tranche 5 Limited	Interest bearing loan (IBL)	6,802,076	6,802,076
Equitix Knight Finco Limited	Group relief	22	-
Group relief estimates		22,263	-
		7,882,329	8,858,992

Ramsey II Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

8. Provision for liabilities

	2021 £	2020 £
Decommissioning provision	(171,295)	(168,399)
Deferred tax liability (note 8)	(696,080)	(428,684)
	(867,375)	(597,083)
The gross movement on the deferred tax account is:		
Balance at 1 January	(428,684)	(239,151)
Charge to profit and loss account	(267,396)	(189,533)
Balance at 31 December	(696,080)	(428,684)
Deferred tax is provided as follows:		
Accelerated capital allowances	(696,080)	(428,684)
Tax losses available	-	-
	(696,080)	(428,684)

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

	2021 £	2020 £
Movement on decommissioning provision:		
Balance at 1 January	(168,399)	(165,551)
Charge to plant and machinery	-	-
Unwinding of discounted amount	(2,896)	(2,848)
Balance at 31 December	(171,295)	(168,399)

9. Financial commitments

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases for land and buildings are as follows:

	2021	2020
	£	£
- within one year	60,485	56,240
- between one and five years	241,942	224,959
- after five years	1,149,224	1,124,797
	1,451,651	1,405,996

10. Related party disclosures

The Company's ultimate parent and controlling entity is Equitix Fund V LP a Limited Partnership registered in England & Wales, the Company has taken advantage of the exemption under FRS 102 Section 33.1A not to provide information on related party transactions with other undertakings in the Equitix Fund V LP group.

11. Ultimate parent undertaking

The Company is a wholly owned subsidiary of Tranche 5 Limited, a company registered in England and Wales which has taken an exemption from preparing consolidated financial statements. The smallest and largest member of the Group which prepares consolidated financial statements is Equitix Knight Finco Limited and the financial statements are available from the registered office given on page 1.

The ultimate parent undertaking and controlling party is Equitix Fund V LP which is a limited partnership and does not prepare consolidated financial statements.

12. Off- balance sheet arrangements

The Company enters into operating lease arrangements for the land on which the wind farm is located. The Company lease rental expense is disclosed in note 3 and the operating lease commitments under these arrangements are disclosed in note 9. There are no other material off-balance sheet arrangements.