

**Strategic report, Directors' report and Financial Statements**  
**For the financial year ended 31 December 2022**

**Enbridge Rampion UK Ltd**

**Registered No: 09798117**



**Enbridge Rampion UK Ltd**

**Table of contents**

	Page (s)
Strategic report .....	3 - 4
Directors' report .....	5 - 7
Independent auditors' report.....	8 - 10
Income statement.....	11
Statement of financial position .....	12
Statement of changes in equity.....	13
Notes to the financial statements.....	14 - 26

**Enbridge Rampion UK Ltd**  
**Strategic report**  
**For the financial year ended 31 December 2022**

The directors of Enbridge Rampion UK Ltd (the “Company”) present their strategic report for the financial year ended 31 December 2022.

**Review of the business**

The Company’s sole shareholder is Enbridge UK Holdings Ltd.

Both the level of business during the year and the financial position of the Company at the year-end were better than expected.

At 31 December 2022, the Company had net assets of USD \$443,444,042 (2021: USD \$432,707,053).

The Company holds 24.9% of the shares of Rampion Offshore Wind Limited as at 31 December 2022.

**Business performance of core underlying investment**

Rampion Offshore Wind Limited saw better than expected revenues during the 2022 fiscal year. This was achieved through higher than expected energy pricing throughout the year as a result of the Ukraine conflict and other shocks to the global energy market and high availability of the turbines throughout the year. Notably, wind speeds throughout the year were, on average, below the budgeted production values.

The project has only been operating for a few years and has a long economic horizon. Management expects some variability in wind year over year as the resource naturally fluctuates. The project operator continues to manage and operate the project effectively and continues to generate positive earnings for shareholders. As Rampion Offshore Wind Limited has only come online in the last few years, there is no additional capital development program in place. However, development of a possible expansion project is being investigated separately by the consortium.

**Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risk of the Enbridge Inc. consolidated group (the “Group”) and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Green Power and Transmission segment in which the Company is included, are discussed within the Group’s annual report, which does not form part of this report.

The primary impact on the financial performance of the Company’s investment is considered to be the impact on energy commodity prices. The Company’s associate undertaking (Rampion Offshore Wind Limited) generates most of its revenues through fixed price sales of Renewable Obligation Certificates (ROCs) however it is exposed to movements in the day-ahead commodity prices on sales of energy.

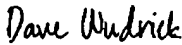
As a result of the global energy market during 2022, prices were significantly higher than budgeted and the Company enjoyed a higher than anticipated result during the year. Given the uncertainties surrounding the global energy market, it is unknown how the prices will fluctuate during 2023 and the Company has therefore taken a prudent approach in the budgeting and forecasting of future periods.

**Enbridge Rampion UK Ltd**  
**Strategic report (continued)**  
**For the financial year ended 31 December 2022**

**Key performance indicators ('KPIs')**

Enbridge Rampion UK Ltd holds 24.9% investment in the Rampion Offshore Wind Limited, an offshore wind farm. The directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company.

Approved by the Board of Directors on 12<sup>th</sup> September 2023 and signed on its behalf by:

DocuSigned by:  
  
6A7C3EF614504AA...

**D K Wudrick**  
Director

Enbridge Rampion UK Ltd  
Registered No: 09798117  
100 Longwater Avenue, Green Park, Reading  
RG2 6GP

**Enbridge Rampion UK Ltd**  
**Directors' report**  
**For the financial year ended 31 December 2022**

The directors present their report and the audited financial statements of Enbridge Rampion UK Ltd (the "Company") for the financial year ended 31 December 2022.

**Directors of the Company**

The directors who were in the office during the year to 31 December 2022 and up to the date of signing these financial statements were:

A C Buglass  
V G Julier (Resigned 13 September 2022)  
D K Wudrick  
D L MacDonald (Resigned 15 August 2022)

**Principal activities**

The Company's principal activity during the year was that of an investment company, providing ongoing equity financing to Rampion Offshore Windfarm Limited for the commercial construction of the windfarm.

**Results and dividends**

The Company's profit for the financial year to 31 December 2022 is USD \$89,736,989 (2021: USD \$150,242,378).

Two interim dividends were approved and paid during the year. The company paid a dividend of USD \$39,000,000 in June 2022; along with an additional dividend of USD \$40,000,000 in December 2022. The directors do not recommend the payment of a final dividend.

**Future developments**

The Company intends to hold the investment in Rampion Offshore Wind Limited for at least twelve months from the date of approval of these financial statements.

The directors are closely monitoring the economic climate, particularly in respect of the energy sector, and on any potential measures that might be taken by the UK government.

**Financial risk management**

***Objectives and Policies***

The Company's ultimate controlling party is Enbridge Inc. and in common with other Enbridge Inc. subsidiaries, the Company must comply with the Group's policies, processes and systems that set out the principles and framework for managing group-wide risk. Additionally, Company level guidelines have been adopted which are in line with the framework of the Group's policies, processes and systems. The Company utilises the Enbridge Inc. central treasury team and the Enbridge Finance Luxembourg SA treasurer to service the treasury requirements of the Company. Further information on the Enbridge Inc. group policies, processes and systems is available in the annual report of Enbridge Inc.

***Price risk, credit risk, liquidity risk and cash flow risk***

***Foreign exchange risk management***

The Company operates within the framework of the Group's policies for foreign exchange risk management and the Company's specific guidelines in line with the Group's framework approved by the Company's board of directors. The Group has implemented a policy whereby, at a minimum, it hedges a level of foreign currency denominated earnings exposures over a five-year forecast horizon.

A combination of qualifying and non-qualifying derivative instruments can be used to hedge anticipated foreign currency denominated revenues and expenses, and to manage variability in cash flows. The Company does not use derivative instruments for speculative purposes.

**Enbridge Rampion UK Ltd**  
**Directors' report (continued)**  
**For the financial year ended 31 December 2022**

**Financial risk management (continued)**

*Credit risk management*

The Company is subject to the Group's policy, which sets a credit limit for each financial institution with which the Company does a significant amount of business. Credit risk assessment involves quantitative and qualitative criteria including ratings by external credit rating services where these are available.

*Liquidity risk management*

The Company manages liquidity risk via its intragroup funding from its credit facility, long-term debt and short-term debt.

**Political donations**

No political donations were made during the year.

**Directors' indemnities**

The Company maintains liability insurance for its directors. This is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006. This insurance cover was in force during the year and is still in force at the date of approving these financial statements.

**Going concern**

The Company meets its day-to-day working capital requirements through its cash reserves and borrowings and intercompany dividends. The Company's forecasts and projections, taking into account reasonably possible changes in trading performance and the current economic climate, show that the Company should be able to operate within the level of its current cash reserves and borrowings.

Therefore the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

**Enbridge Rampion UK Ltd**  
**Directors' report (continued)**  
**For the financial year ended 31 December 2022**

**Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic report, the Directors' 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 that law the directors have prepared these financial statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law, the directors must not approve these financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

**Disclosure of information to auditors**

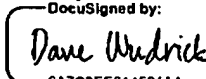
In the case of each director in office at the date the Directors' Report is approved:

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

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors on 12<sup>th</sup> September 2023 and signed on its behalf by:

DocuSigned by:  
  
.....BA7C3EF614504AA..

**D K Wudrick**  
Director

Enbridge Rampion UK Ltd  
Registered No: 09798117  
100 Longwater Avenue, Green Park, Reading  
RG2 6GP

**Enbridge Rampion UK Ltd**  
**Independent auditors' report**  
**For the financial year ended 31 December 2022**

# **Independent auditors' report to the members of Enbridge Rampion UK Ltd**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Enbridge Rampion UK Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic report, Directors' report and Financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; the Income Statement, and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

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

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

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

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



**Enbridge Rampion UK Ltd**  
**Independent auditors' report**  
**For the financial year ended 31 December 2022**

## **Reporting on other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

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

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

**Enbridge Rampion UK Ltd**  
**Independent auditors' report**  
**For the financial year ended 31 December 2022**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries with specific focus on entries containing unusual account combinations in response to the risk of management override of controls.

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

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

**Use of this report**

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

## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.

*Julie Watson*

Julie Watson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Aberdeen  
12 September 2023

**Enbridge Rampion UK Ltd**  
**Income Statement**  
**For the financial year ended 31 December 2022**

	Note	1 January to 31 December 2022 USD	1 January to 31 December 2021 USD
Income from associated undertaking	4	77,142,292	146,954,315
Other income	5	-	791,498
<b>Total Income</b>		<b>77,142,292</b>	<b>147,745,813</b>
Administrative expenses		(1,142,750)	(307,833)
<b>Operating profit</b>	5	<b>75,999,542</b>	<b>147,437,980</b>
Finance income	8	57,669,611	55,250,106
Finance costs	8	(38,686,042)	(53,527,895)
<b>Profit before taxation</b>		<b>94,983,111</b>	<b>149,160,191</b>
Income tax (expense)/credit	9	(5,246,122)	1,082,187
<b>Profit for the financial year</b>		<b>89,736,989</b>	<b>150,242,378</b>

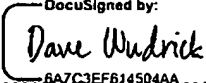
As the Company has no other comprehensive income for this year or the previous year, a separate statement of comprehensive income has not been presented.

The notes on pages 14 to 26 form part of these financial statements

**Enbridge Rampion UK Ltd**  
**Statement of Financial Position**  
**As at 31 December 2022**

	Note	As at 31 December 2022 USD	As at 31 December 2021 USD
<b>Fixed assets</b>			
Investments	10	469,882,064	470,537,499
Derivative financial instruments	11	30,019,758	16,467,791
<b>Total fixed assets</b>		<b>499,901,822</b>	<b>487,005,290</b>
<b>Current assets</b>			
Prepayments	12	8,476	20,263
Cash and cash equivalents		6,251,994	6,675,751
<b>Total current assets</b>		<b>6,260,470</b>	<b>6,696,014</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(213,310)</b>	<b>(3,735,433)</b>
<b>Net current assets</b>		<b>6,047,160</b>	<b>2,960,581</b>
<b>Total assets less current liabilities</b>		<b>505,948,982</b>	<b>489,965,871</b>
Creditors - amounts falling due after more than one year	14	(55,000,000)	(55,000,000)
Deferred tax liabilities	15	(7,504,940)	(2,258,818)
<b>Total liabilities falling due after more than one year</b>		<b>(62,504,940)</b>	<b>(57,258,818)</b>
<b>Net assets</b>		<b>443,444,042</b>	<b>432,707,053</b>
<b>Capital and reserves</b>			
Called up share capital	17	367,569,229	367,569,229
Reduction reserves		6,738,947	6,738,947
Share premium account		302,080	302,080
Profit and loss account		68,833,786	58,096,797
<b>Total shareholders' funds</b>		<b>443,444,042</b>	<b>432,707,053</b>

The financial statements on pages 11 to 26 were approved by the Board of Directors on 12<sup>th</sup> September 2023 and were signed on its behalf by:

DocuSigned by:  
  
 .....BA7C3EFB14504AA.....

**D K Wudrick**  
 Director

Enbridge Rampion UK Ltd  
 Registered No: 09798117  
 100 Longwater Avenue, Green Park, Reading  
 RG2 6GP

The notes on pages 14 to 26 form part of these financial statement

**Enbridge Rampion UK Ltd**  
**Statement of changes in equity**  
**For the financial year ended 31 December 2022**

		Called up share capital	Share premium account	Reduction reserves	Profit and loss account	Total Shareholders' funds
	Note	USD	USD	USD	USD	USD
<b>At 1 January 2022</b>		<b>367,569,229</b>	<b>302,080</b>	<b>6,738,947</b>	<b>58,096,797</b>	<b>432,707,053</b>
Profit for the financial year		-	-	-	89,736,989	89,736,989
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>89,736,989</b>	<b>89,736,989</b>
<b>Dividends paid</b>	18	<b>-</b>	<b>-</b>	<b>-</b>	<b>(79,000,000)</b>	<b>(79,000,000)</b>
<b>At 31 December 2022</b>		<b>367,569,229</b>	<b>302,080</b>	<b>6,738,947</b>	<b>68,833,786</b>	<b>443,444,042</b>
<b>Prior year</b>						
	Note	Called up share capital	Share premium account	Reduction reserves	Profit and loss account	Total Shareholders' funds
		USD	USD	USD	USD	USD
<b>At 1 January 2021</b>		<b>367,569,229</b>	<b>302,080</b>	<b>6,738,947</b>	<b>69,854,419</b>	<b>444,464,675</b>
Profit for the financial year		-	-	-	150,242,378	150,242,378
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>150,242,378</b>	<b>150,242,378</b>
<b>Dividends paid</b>	18	<b>-</b>	<b>-</b>	<b>-</b>	<b>(162,000,000)</b>	<b>(162,000,000)</b>
<b>At 31 December 2021</b>		<b>367,569,229</b>	<b>302,080</b>	<b>6,738,947</b>	<b>58,096,797</b>	<b>432,707,053</b>

The notes on pages 14 to 26 form part of these financial statements

**Enbridge Rampion UK Ltd**  
**Notes to the financial statements**  
**For the financial year ended 31 December 2022**

**NOTE 1 – GENERAL INFORMATION**

The principal activity of Enbridge Rampion UK Ltd (hereafter the “Company”) is that of an investment company.

The Company is a private limited by shares company, and is incorporated and domiciled in the UK. The address of the Company’s registered office is 100 Longwater Avenue, Green Park, Reading, England, RG2 6GP.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below.

**2.1 Basis of preparation**

The Company has prepared these financial statements in accordance with Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ (“FRS 101”). These financial statements have been prepared under the going concern basis, historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through the profit and loss, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The following exemptions from the requirements of International Financial Reporting Standards (“IFRS”) have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, ‘Financial Instruments: Disclosures’.
- Paragraphs 91 to 99 of IFRS 13, ‘Fair value measurement’ (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The following paragraphs of IAS 1, ‘Presentation of financial statements’:
  - 10(d), (statement of cash flows),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- IAS 7, ‘Statement of cash flows’
- Paragraph 30 and 31 of IAS 8 ‘Accounting policies, changes in accounting estimates and errors’ (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, ‘Related party disclosures’ (key management compensation)
- The requirements in IAS 24, ‘Related party disclosures’ to disclose related party transactions entered into between two or more members of a group which are wholly-owned.
- No statement regarding the potential impact for forthcoming changes in financial reporting standards.

**2.1.1 Going concern**

The Company meets its day-to-day working capital requirements through its cash reserves and borrowings and intercompany dividends. The Company’s forecasts and projections, taking into account reasonably possible changes in trading performance and the current economic climate, show that the Company should be able to operate within the level of its current cash reserves and borrowings.

Therefore the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

**Enbridge Rampion UK Ltd**  
**Notes to the financial statements (continued)**  
**For the financial year ended 31 December 2022**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***2.1 Basis of preparation (continued)***

***2.1.2 Changes in accounting policy and disclosures***

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the company's financial statements.

***2.2 Consolidation***

The company is a wholly owned subsidiary of Enbridge UK Holdings Ltd and of its ultimate parent, Enbridge Inc. It is included in the consolidated financial statements of Enbridge Inc., which are publicly available. Therefore, the company is exempt by virtue of section 401 (exemption for company included in non-EEA group accounts of larger group) of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

The address of the ultimate parent is 200, Fifth Avenue Place, 425 – 1st Street SW, Calgary, Alberta, T2P 3L8, Canada and it is registered with Industry Canada under number 2276020. The consolidated financial statements are prepared by the ultimate parent company and are available at its registered address and are available on the following website: <http://www.enbridge.com/investmentcenter/investor-documents-and-filings>.

***2.3 Foreign currency translation***

These financial statements are presented in United States Dollars ("USD") which is the Company's functional currency. All financial information is presented in USD.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All other foreign exchange gains and losses are presented in the income statement within 'foreign currency (loss)/gains', per Note 5.

***2.4 Investments in associated undertakings***

Investments in associated undertakings are held at cost less accumulated impairment losses.

At each balance sheet date, the Company reviews the carrying value of its investments to assess whether there is an indication that those assets may be impaired. If any such indication exists, the company makes an estimation of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is estimated to be less than its carrying value, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 in prior periods. A reversal of an impairment loss is recognised immediately in the income statement.

**Enbridge Rampion UK Ltd**  
**Notes to the financial statements (continued)**  
**For the financial year ended 31 December 2022**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.5 Financial instruments**

Other receivables are non-derivative financial assets with fixed or determinable payments and are included in current assets, except for maturities greater than 12 months after the end of the reporting year. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due.

The company has not applied hedge accounting, and all derivatives are measured at fair value through profit and loss.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as creditors: amounts falling due within one year unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period in which case they are classified as creditors: amounts falling due after more than one year.

**2.6 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

**2.7 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowing costs are recognised in profit or loss in the year in which they are incurred.



**Enbridge Rampion UK Ltd**  
**Notes to the financial statements (continued)**  
**For the financial year ended 31 December 2022**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***2.8 Current and deferred tax***

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholder's funds, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

***2.9 Dividend income***

Dividend income is recognised when the right to receive payment is established.

***2.10 Dividend distribution***

Final dividends to the Company's shareholder are recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholder. Interim dividends are recognised when paid.

**NOTE 3 - JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in conformity with FRS 101 requires management to make estimates and assumptions, which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of these financial statements, and the reported amounts of revenues and expenses during the reporting year. These judgements are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in these financial statements. For further details on the use of discounted cash flow calculations ("DCF") please refer to note 10.

**Enbridge Rampion UK Ltd**  
**Notes to the financial statements (continued)**  
**For the financial year ended 31 December 2022**

**NOTE 3 - JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)**

**3.1 Impairments**

Impairments of assets are calculated as the difference between the carrying value of the asset and its recoverable amount, if lower. Recoverable amount is defined as the higher of fair value less costs to sell and estimated value in use at the date the impairment review is undertaken. The directors have reviewed and confirmed that there are no triggers for impairment during the year (2021: none).

**NOTE 4 – INCOME FROM ASSOCIATED UNDERTAKING**

	<b>1 January to 31 December 2022</b>	<b>1 January to 31 December 2021</b>
	<b>USD</b>	<b>USD</b>
Dividends received	77,142,292	146,954,315
<b>Total</b>	<b>77,142,292</b>	<b>146,954,315</b>

**NOTE 5 – OPERATING PROFIT**

Operating profit is stated after (charging)/crediting:

	<b>1 January to 31 December 2021</b>	<b>1 January to 31 December 2021</b>
	<b>USD</b>	<b>USD</b>
Foreign currency (loss)/gains	(334,245)	791,498
Services provided by the Company's UK statutory auditors:		
- Audit fees payable for the UK statutory audit	(20,000)	(22,224)

**NOTE 6 – DIRECTORS' REMUNERATION**

Directors' remuneration for the year was as follows:

	<b>1 January to 31 December 2022</b>	<b>1 January to 31 December 2021</b>
	<b>USD</b>	<b>USD</b>
Aggregate emoluments	22,203	23,704
<b>Total</b>	<b>22,203</b>	<b>23,704</b>

The aggregate emoluments were paid to two directors. The highest paid director emoluments were USD \$12,085 for the year ending 31 December 2022 (2021: USD \$11,886). No amounts of remuneration were paid out to the remaining two directors in respect of qualifying services rendered during the year (2021: none).

**NOTE 7 - EMPLOYEES**

For the reporting year, the Company did not employ any employees (2021: no employees).

**Enbridge Rampion UK Ltd**  
**Notes to the financial statements (continued)**  
**For the financial year ended 31 December 2022**

**NOTE 8 – NET FINANCE COSTS**

**Finance income**

	<b>1 January to 31 December 2022</b>	<b>1 January to 31 December 2021</b>
	<b>USD</b>	<b>USD</b>
Realised gains on derivative financial instruments	57,624,689	55,250,106
Current account interest	44,922	-
<b>Total finance income</b>	<b>57,669,611</b>	<b>55,250,106</b>

**Finance expenses**

	<b>1 January to 31 December 2022</b>	<b>1 January to 31 December 2021</b>
	<b>USD</b>	<b>USD</b>
Interest expenses on loans from related parties	(4,314,750)	(4,314,750)
Realised losses on derivative financial instruments	(34,371,292)	(42,075,183)
Unrealised losses on derivative financial instruments	-	(7,137,962)
<b>Total finance expense</b>	<b>(38,686,042)</b>	<b>(53,527,895)</b>

**Net finance income**

	<b>1 January to 31 December 2022</b>	<b>1 January to 31 December 2021</b>
	<b>USD</b>	<b>USD</b>
Finance income	57,669,611	55,250,106
Finance expense	(38,686,042)	(53,527,895)
<b>Net finance income</b>	<b>18,983,569</b>	<b>1,722,211</b>

**Enbridge Rampion UK Ltd**  
**Notes to the financial statements (continued)**  
**For the financial year ended 31 December 2022**

**NOTE 9 – INCOME TAX (EXPENSE)/CREDIT**

	<b>1 January to 31 December 2022 USD</b>	<b>1 January to 31 December 2021 USD</b>
<b>Current tax:</b>		
UK Corporation tax on profits for the year	-	274,026
<b>Total current tax charge</b>	<b>-</b>	<b>274,026</b>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	5,246,122	(1,356,213)
<b>Total deferred tax</b>	<b>5,246,122</b>	<b>(1,356,213)</b>
<b>Total Income tax charge/(credit)</b>	<b>5,246,122</b>	<b>(1,082,187)</b>

The tax in the income statement for the year varied from the (2021: varied from) standard rate of corporation tax in the UK due to the following factors:

	<b>1 January to 31 December 2022 USD</b>	<b>1 January to 31 December 2021 USD</b>
Tax losses brought forward	(1,853,987)	(3,732,791)
Prior year adjustment to losses brought forward	(198)	353,587
Profit before taxation of USD \$94,983,111 (2021: profit of USD \$149,160,192) at UK standard rate of corporation tax of 19% (2020: 19%)	18,046,791	28,340,436
Effects of		
Expenses not deductible for tax purposes	(3,019,639)	1,356,213
Income not taxable in determining taxable profit	(14,657,035)	(27,921,320)
Corporate interest restriction	336,473	23,914
Tax losses carried forward	1,147,595	1,853,987
Deferred tax recognised	5,246,122	(1,356,213)
<b>Total tax for the year</b>	<b>5,246,122</b>	<b>(1,082,187)</b>

The tax rate for the current year is the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (2021: 19%).

**Factors that may affect future tax charges**

The UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. Deferred tax assets that are unrecognised total \$34,683,277 (2021: \$31,663,550).

**Enbridge Rampion UK Ltd**  
**Notes to the financial statements (continued)**  
**For the financial year ended 31 December 2022**

**NOTE 10 – INVESTMENTS**

	<b>Associated Undertakings USD</b>
<b>As at 1 January 2022</b>	<b>470,537,499</b>
Return on capital contribution	(655,435)
<b>As at 31 December 2022</b>	<b>469,882,064</b>
	<b>Associated Undertakings USD</b>
<b>As at 1 January 2021</b>	<b>470,537,499</b>
Additions	-
<b>As at 31 December 2021</b>	<b>470,537,499</b>

Investments comprise of equity shares in Rampion Offshore Wind Limited, which are not publicly traded. Rampion Offshore Wind Limited is incorporated in the United Kingdom having its registered office at Windmill Hill Business Park, Westwood Way, Swindon, Wiltshire, SN5 6PB. The principal activity of Rampion Offshore Wind Limited is the operation of the Rampion Offshore Wind Farm.

The Company holds 24.9% of the shares of Rampion Offshore Wind Limited ("ROW") at as 31 December 2022.

The Company assesses at each balance sheet date whether there is objective evidence that the investment in ROW is impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Discounted cash flow calculations ("DCF") of ROW were prepared based on various assumptions as part of the ordinary course of business and not in response to an impairment trigger.

The cash flows have been discounted using a pre-tax discount rate of 4.40% (2021: 3.58%). Based on the DCF a surplus in excess of USD 42,600,000 (2021: USD 98,000,000) has been identified which supports the cost of the investment. During the year, there was a return of capital from the initial ROW construction funds. The directors concluded that the carrying value of the investment is supported by the underlying net assets and the expected future net cash inflows, and that therefore there are no impairment triggers for the year to 31 December 2022.

**Enbridge Rampion UK Ltd**  
**Notes to the financial statements (continued)**  
**For the financial year ended 31 December 2022**

**NOTE 11 – DERIVATIVE FINANCIAL INSTRUMENTS**

The Company has the following financial assets measured at fair value through profit or loss:

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>USD</b>	<b>USD</b>
Derivative financial instruments	30,019,758	16,467,791
<b>Total</b>	<b>30,019,758</b>	<b>16,467,791</b>

The Company has the following financial liabilities measured at fair value through profit or loss:

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>USD</b>	<b>USD</b>
Derivative financial instruments	-	(2,340,870)
<b>Total</b>	<b>-</b>	<b>(2,340,870)</b>

**11.1 Derivative financial instruments**

The Company entered into forward foreign currency contracts under an ISDA Master Agreement between Enbridge Inc. and the Company to mitigate the exchange rate risk for forecast foreign currency dividend distributions from the Company's investment, Rampion Offshore Windfarm Limited (see note 10). As at 31 December 2022 the outstanding contracts are as follows:

- USD \$132,390,904, maturing 31 December 2025;
- USD \$35,739,303, maturing 31 December 2026; and,
- USD \$44,323,701, maturing 31 December 2027.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the exchange rates for GBP:USD.

**NOTE 12 – PREPAYMENTS**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>USD</b>	<b>USD</b>
Prepayments	8,476	20,263
<b>Total</b>	<b>8,476</b>	<b>20,263</b>

**Enbridge Rampion UK Ltd**  
**Notes to the financial statements (continued)**  
**For the financial year ended 31 December 2022**

**NOTE 13 - CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>USD</b>	<b>USD</b>
Loans from related parties (note 16)	131,840	1,054,717
Trade payables	-	5,124
Amounts owed to group undertakings	33,026	2,340,870
Accruals	20,727	60,696
Current tax liabilities	27,717	274,026
<b>Total</b>	<b>213,310</b>	<b>3,735,433</b>

Amounts owed to group undertakings are costs incurred on Enbridge Rampion UK Ltd.'s behalf and are comprised of USD \$NIL (2021: USD \$2,340,870) of unrealised losses on forward foreign currency contracts under an ISDA Master Agreement between Enbridge Inc. and USD \$33,026 (2021: USD \$NIL) due to Enbridge UK Holdings Ltd.

The amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and is repayable on demand.

**NOTE 14 – CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>USD</b>	<b>USD</b>
Loans from related parties (note 16)	55,000,000	55,000,000
<b>Total</b>	<b>55,000,000</b>	<b>55,000,000</b>

**NOTE 15 – DEFERRED TAX**

The deferred tax included in the Statement of financial position is as follows:

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>USD</b>	<b>USD</b>
Short term differences	7,504,940	2,258,818
<b>Deferred tax liability</b>	<b>7,504,940</b>	<b>2,258,818</b>

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Movement on deferred tax balance</b>		
Liability at 1 January	2,258,818	3,615,030
Charge/(credit) to the income statement	5,246,122	(1,356,212)
<b>Liability at 31 December</b>	<b>7,504,940</b>	<b>2,258,818</b>

Deferred tax assets that are unrecognised total \$34,683,277 (2021: \$31,663,550).

**Enbridge Rampion UK Ltd**  
**Notes to the financial statements (continued)**  
**For the financial year ended 31 December 2022**

**NOTE 16 – LOANS FROM RELATED PARTIES**

	Principal	Interest Rate	Issued on	Repaid on	Lender	Maturity date	31 December 2022 (all amounts in USD)		
							Falling due after more than one year - Loan Principal	Falling due within one year - Loan Principal	Falling due within one year - Accrued Interest
Long-term term promissory note	55,000,000	7.85%	03.04.2018	-	Enbridge Finance Company AG	03.04.2028	55,000,000	-	131,840
							<b>55,000,000</b>	<b>-</b>	<b>131,840</b>

	Principal	Interest Rate	Issued on	Repaid on	Lender	Maturity date	31 December 2021 (all amounts in USD)		
							Falling due after more than one year - Loan Principal	Falling due within one year - Loan Principal	Falling due within one year - Accrued Interest
Long-term term promissory note	55,000,000	7.85%	03.04.2018	-	EL S.à r.l	03.04.2028	55,000,000	-	1,054,717
							<b>55,000,000</b>	<b>-</b>	<b>1,054,717</b>



**Enbridge Rampion UK Ltd**  
**Notes to the financial statements (continued)**  
**For the financial year ended 31 December 2022**

**NOTE 16 – LOANS FROM RELATED PARTIES (continued)**

The interest rate on the subordinated long-term promissory notes was determined on market conditions, therefore arm's length pricing was applied.

In April 2018 Enbridge Luxembourg S.à.r.l issued a promissory note to the company for the value of USD \$55,000,000 for a term of 10 years. The interest rate applicable is 7.85% (2021: 7.85%) and is payable in April and October.

On December 20 2022, Enbridge Luxembourg S.à.r.l agreed to transfer the promissory note into Enbridge Finance Company AG for consideration of USD \$55,000,000. All interest outstanding up to this date was settled with Enbridge Luxembourg S.à.r.l. The value, interest rate, repayment dates and term length of the promissory note all remain unchanged.

**NOTE 17 – CALLED UP SHARE CAPITAL**

Ordinary shares of GBP £1 each

**Allotted, called-up and fully paid**

<b>Number:</b>	<b>Class</b>	<b>GBP</b>	<b>Nominal Value USD</b>	<b>USD</b>
1	Ordinary	1	1.100	1
83,829,750	Ordinary	83,829,750	1.539882977	129,088,005
219,153,654	Ordinary	219,153,654	1.341145834	293,917,010
(36,000,000)	Ordinary	(36,000,000)	1.53988297	(55,435,787)
<b>266,983,405</b>		<b>266,983,405</b>		<b>367,569,229</b>

On 3 November 2015, 83,829,750 ordinary shares were issued for GBP £83,829,750 (USD: 129,088,004). On 20 December 2017, 219,153,654 ordinary shares were issued for GBP £219,153,654 (USD: 293,917,010). On 10 May 2018 the Company undertook a share capital reduction and cancelled its shares by GBP £36,000,000 (USD: \$55,435,787).

All shares rank pari passu in all respects.

**NOTE 18 – DIVIDEND DISTRIBUTIONS**

The Company distributed dividends of USD \$79,000,000 to its shareholders for the year ended 31 December 2022 (2021: USD \$162,000,000).

**NOTE 19 - CONTROLLING PARTIES**

The immediate parent undertaking is Enbridge UK Holdings Ltd.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Enbridge Inc., registered with Industry Canada under number 2276020. The consolidated financial statements are available at its registered address, 200, Fifth Avenue Place, 425 – 1st Street SW, Calgary, Alberta, T2P 3L8, Canada, and are available on the following website: <http://www.enbridge.com/investmentcenter/investor-documents-and-filings>.

**Enbridge Rampion UK Ltd**  
**Notes to the financial statements (continued)**  
**For the financial year ended 31 December 2022**

**NOTE 20 – RELATED PARTY TRANSACTIONS**

Enbridge UK Holdings Limited is a related party of the Company by virtue of being the immediate parent and sole owner of the Company. The Company has taken the exemptions available to not disclose transactions with Enbridge UK Holdings Limited.

Enbridge Inc. is a related party of the Company by virtue of being the ultimate parent of the Company. The Company has taken the exemptions available to not disclose transactions with Enbridge Inc.

**NOTE 21 - EVENTS AFTER THE END OF REPORTING YEAR**

There have been no material significant events after the reporting year.