

Company Registration No. SC605260 (Scotland)

OFFSHORE WIND POWER LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

OFFSHORE WIND POWER LIMITED

COMPANY INFORMATION

Directors	M Hay	
	E Northam	(Appointed 1 May 2020)
	M Giulianotti	(Appointed 1 May 2020)
	O Nielsen	(Appointed 8 December 2020)
	G de Saivre	(Appointed 8 December 2020)
	P Knott	(Appointed 15 January 2021)
	P de Cacqueray	(Appointed 25 April 2021)
	M Sandager	(Appointed 7 February 2022)
Company number	SC605260	
Registered office	Clava House Cradlehall Business Park Inverness IV2 5GH	
Auditor	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT	

OFFSHORE WIND POWER LIMITED

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OFFSHORE WIND POWER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and audited financial statements for the year ended 31 March 2021.

Principal activities and future developments

The principal activity of the company is the development of offshore wind energy projects in the UK, specifically ScotWind and its development off the Scottish coast seabed in association with Crown Estate Scotland.

The investment and development of the offshore wind capabilities are still at the early stages with operational capacity not expected until around 2029. As disclosed in note 11 events after the reporting date, on 17th January 2022, Crown Estate Scotland announced the outcome of its application process for ScotWind leasing, for which the company had submitted its bid in July 2021. The company was successful in the bid securing an option agreement which reserves the right to specific areas of the seabed. The option agreement allows the company to continue its project development, with costs incurred to date supporting the feasibility assessments performed during the bid phase.

Ongoing investment and completion of the project remains the responsibility of the company, including consenting, financing and planning stages. Only once all aspects have been achieved will a full lease be granted by Crown Estate Scotland. The Directors are comfortable that sufficient resources will continue to be available through shareholder investment in order to meet the ongoing project commitments.

Going concern

The Directors have considered the viability of the company and consider it appropriate to prepare the accounts on a going concern basis. Whilst there is uncertainty as to the extent of development and future investment which may be needed in order to generate revenues, these are considered to be long term risks and will be monitored accordingly.

The Directors are comfortable that the company can continue in operation for the foreseeable future, being no less than 12 months from the date of these statements being approved, as sufficient funding and cash resources are available in order to meet commitments as they come due. Following the successful lease bid, the shareholders continue their commitment to the current stages of the project and over its expected life through its provision of funding through the lending arrangements. The shareholders confirm that there is no current intention to call the loan notes during the going concern period.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Hay	
J Farnham	(Resigned 1 May 2020)
K Williamson	(Resigned 1 May 2020)
E Northam	(Appointed 1 May 2020)
A Nancarrow	(Appointed 1 May 2020 and resigned 8 December 2020)
M Giulianiotti	(Appointed 1 May 2020)
V Godefroy	(Appointed 8 December 2020 and resigned 22 April 2021)
O Ternaoud	(Appointed 8 December 2020 and resigned 7 February 2022)
O Nielsen	(Appointed 8 December 2020)
G de Saivre	(Appointed 8 December 2020)
P Knott	(Appointed 15 January 2021)
P de Cacqueray	(Appointed 25 April 2021)
M Sandager	(Appointed 7 February 2022)

Independent Auditors

During the year PricewaterhouseCoopers LLP were appointed as auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

OFFSHORE WIND POWER LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Statement of directors' responsibilities

The directors are responsible for preparing 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 102 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;
- 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.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

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

On behalf of the board

M Giulianotti
Director

P de Cacqueray
Director

25 March 2022

OFFSHORE WIND POWER LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OFFSHORE WIND POWER LIMITED

Opinion

In our opinion, Offshore Wind Power Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Annual Report, which comprise: the balance sheet as at 31 March 2021; the profit and loss account, the statement of comprehensive income 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.

OFFSHORE WIND POWER LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF OFFSHORE WIND POWER LIMITED

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 on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

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

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

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2021 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 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.

OFFSHORE WIND POWER LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF OFFSHORE WIND POWER LIMITED

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to any breaches of UK regulatory principles, such as new or amended tax regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 the posting of manual journal entries, and areas of management judgement specifically the capitalisation of development costs. Audit procedures performed by the engagement team included:

- Holding discussions with management and those charged with governance including making specific inquiries about any consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewed minutes of meetings of those charged with governance;
- Incorporating unpredictability testing in to our audit procedures;
- Testing manual journal entries based on specific risk parameters; and
- Performing substantive testing to confirm the nature of capitalised development costs.

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

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

Use of this report

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

OFFSHORE WIND POWER LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF OFFSHORE WIND POWER LIMITED

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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the period ended 31 March 2020, forming the corresponding figures of the financial statements for the year ended 31 March 2021, are unaudited.

Hannah Solway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

28 March 2022

Birmingham

OFFSHORE WIND POWER LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Year ended 31 March 2021 £	Unaudited Period ended 31 March 2020 £
Administrative expenses	Notes	(121,358)	(6,847)
Loss before taxation		(121,358)	(6,847)
Tax on loss	6	-	-
Loss for the financial year		<u>(121,358)</u>	<u>(6,847)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

OFFSHORE WIND POWER LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Year ended 31 March 2021 £	Unaudited Period ended 31 March 2020 £
Loss for the year	(121,358)	(6,847)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(121,358)</u>	<u>(6,847)</u>

OFFSHORE WIND POWER LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

		2021		Unaudited 2020 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	7		2,771,015		388,734
Current assets					
Debtors	8	150,357		10,189	
Cash at bank and in hand		1,131,760		45,784	
		<u>1,282,117</u>		<u>55,973</u>	
Creditors: amounts falling due within one year	9	<u>(4,185,839)</u>		<u>(456,141)</u>	
Net current liabilities			<u>(2,903,722)</u>		<u>(400,168)</u>
Net liabilities			<u>(132,707)</u>		<u>(11,434)</u>
Capital and reserves					
Called up share capital	10		100		15
Profit and loss reserves			<u>(132,807)</u>		<u>(11,449)</u>
Total equity			<u>(132,707)</u>		<u>(11,434)</u>

These 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 and authorised for issue on 25 March 2022 and are signed on its behalf by:

M Giulianotti
Director

P de Cacqueray
Director

Company Registration No. SC605260

OFFSHORE WIND POWER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
As restated for the period ended 31 March 2020:				
Balance at 1 September 2019		15	(4,602)	(4,587)
Period ended 31 March 2020:				
Loss and total comprehensive income for the period		-	(6,847)	(6,847)
Balance at 31 March 2020		15	(11,449)	(11,434)
Period ended 31 March 2021:				
Loss and total comprehensive income for the period		-	(121,358)	(121,358)
Issue of share capital	10	85	-	85
Balance at 31 March 2021		100	(132,807)	(132,707)

OFFSHORE WIND POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Offshore Wind Power Limited is a private company limited by shares incorporated in Scotland. The registered office is Clava House, Cradlehall Business Park, Inverness, IV2 5GH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Prior period restatement

Following the change in principle shareholder during the period, a review of the company's development costs accounting policy was undertaken. Development costs of £351,747 and related borrowing costs of £36,987 incurred in the year to 31 March 2020 have been reclassified as intangible assets. There is no profit and loss or other comprehensive income impact arising as a result of the reclassification. Further explanation is detailed within note 14.

1.3 Going concern

The Company has recorded a loss before tax of £121,358 for the year ended 31 March 2021 (£6,847 loss period ended 31 March 2020) with net current liabilities of £2,903,722 (£400,168 period ended 31 March 2020) and net liabilities of £132,707 (£11,434 period ended 31 March 2020).

The Company is reliant upon the funding from its principal shareholders Lochlann Holdco Limited (a subsidiary company of Green Investment Group Investments Limited ("GIGI") and TNE Holdco 1 Limited (a subsidiary company of TotalEnergies Offshore Wind Holdings UK Limited ("TotalEnergies")).

The Directors have considered the viability of the company and consider it appropriate to prepare the accounts on a going concern basis. Whilst there is uncertainty as to the extent of development and future investment which may be needed in order to generate revenues, these are considered to be long term risks and will be monitored accordingly.

The Directors are comfortable that the company can continue in operation for the foreseeable future, being no less than 12 months from the date of these statements being approved, as sufficient funding and cash resources are available in order to meet commitments as they come due. Following the successful lease bid, the shareholders continue their commitment to the current stages of the project and over its expected life through its provision of funding through the lending arrangements. The shareholders confirm that there is no current intention to call the loan notes during the going concern period.

1.4 Reporting period

The company's accounting period is the year from 1 April 2020 to 31 March 2021. In the prior year the company's accounting period was 1 September 2019 to 31 March 2020 being a seven month period. The change in accounting reference date was to align with incoming shareholder reporting requirements. Therefore the comparative amounts presented in the financial statements are not entirely comparable.

OFFSHORE WIND POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Research and development expenditure

Research expenditure is charged to the profit and loss account in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Capitalised expenditure includes costs incurred in both the bidding and consenting phases of offshore windfarm projects, where the company assesses that a successful outcome is more likely than not.

1.6 Intangible fixed assets other than goodwill

Intangible assets comprise assets under development and are stated at cost less provisions for impairment. Development expenditure is capitalised only if the expenditure can be reliably measured, the project is technically and commercially feasible, the future economic benefits are probable and the Company intends to and has sufficient resources to complete development and use or sell the asset. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

At the point the development expenditure reaches consent and approved for construction, the carrying value will be transferred to Property, Plant and Equipment.

Borrowing costs directly relating to the development expenditure is capitalised. Otherwise, it is recognised in the profit and loss as incurred.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include deposits held at call with banks.

1.9 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and bank balances, are measured at transaction price including transaction costs.

Classification of financial liabilities

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

OFFSHORE WIND POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

OFFSHORE WIND POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

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

Classification of development costs

Accounting judgement is required in determining whether expenditure relating to the development of a project constitutes an intangible asset i.e. it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value can be measured reliably; or if this expenditure pertains to a research phase of the project and therefore should be expensed. £2,382,291 of development costs and borrowing costs were capitalised during the year (see note 7). This includes costs incurred in bidding and consent phases of projects, where the directors have assessed that a successful outcome is more likely than not.

3 Auditor's remuneration

	2021	Unaudited 2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	30,000	-
	<u> </u>	<u> </u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	Unaudited 2020 Number
Total	-	-
	<u> </u>	<u> </u>

5 Directors' remuneration

No remuneration was paid to the directors.

6 Taxation

OFFSHORE WIND POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Loss before taxation	(121,358)	(6,847)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(23,058)	(1,301)
Tax effect of expenses that are not deductible in determining taxable profit	10,169	-
Unutilised tax losses carried forward	12,889	1,301
Taxation charge for the period	-	-

At 31 March 2021 the company had no deferred tax charge arising and no deferred tax assets or liabilities for recognition (2020 - £nil).

7 Intangible assets

as restated
Development
costs
£

Cost

At 1 April 2020	388,734
Additions	2,141,758
Borrowing costs capitalised	240,523
At 31 March 2021	2,771,015

Accumulated amortisation and impairment

At 1 April 2020 and 31 March 2021	-
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Carrying amount

At 31 March 2021	2,771,015
At 31 March 2020	388,734

As detailed in note 14, intangible assets of £388,734 comprising development costs of £351,747 and borrowing costs of £36,987 have been capitalised as intangible assets as a prior period restatement. No amortisation or impairment was arising.

OFFSHORE WIND POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Debtors	Unaudited as restated	
	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	150,357	10,189

9 Creditors: amounts falling due within one year	Unaudited as restated	
	2021	2020
	£	£
Other borrowings	3,697,681	423,233
Trade creditors	338,469	16,418
Amounts owed to group undertakings	-	725
Taxation and social security	16,512	-
Accruals and deferred income	133,177	15,765
	4,185,839	456,141

During the year unsecured loan notes of £2,981,760 were issued to the Company's shareholders. The loan notes are redeemable at the shareholders discretion. The shareholders loans accrue interest at 12%.

At 31 March 2021, unsecured loan notes of £1,649,690 and interest of £111,553 were due to Green Investment Group Investments Limited. Unsecured loan notes of £1,332,070 and interest of £76,627 were due to TNE Holdco 1 Limited.

At 31 March 2021, the Company had other unsecured shareholder loans of £438,410 (2020 - £386,246). These loans are repayable on demand. The unsecured shareholder loans accrue interest at 12%. Unsecured shareholder loans of £263,046 (2020 - £386,246) and interest of £82,757 (2020 - £36,987) were due to Green Investment Group Investments Limited and unsecured shareholder loans of £175,364 (2020 - £nil) and interest of £6,573 (2020 - £nil) were due to TNE Holdco 1 Limited.

10 Called up share capital	Unaudited		Unaudited	
	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100	15	100	15

On 1 May 2020 the company allotted 85 ordinary £1 shares at par.

On 8 December 2020 34 ordinary shares were transferred from Green Investment Group Investments Limited to TNE Holdco 1 Limited.

OFFSHORE WIND POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Events after the reporting date

On 15 July 2021, Lochlann Holdco Limited (registered office Atria One, 144 Morrison Street, Edinburgh, United Kingdom, EH3 8EX) acquired the shareholding from Green Investment Group Investments Limited.

On 17th January 2022, Crown Estate Scotland announced the outcome of its application process for ScotWind leasing, for which the company had submitted its bid in July 2021. The company was successful in the bid securing an option agreement which reserves the right to specific areas of the seabed. Associated option fees of £65.7m are payable by 5 April 2022. The company intends to enter into an Option Agreement by 5 April 2022.

12 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

During the year the company incurred project management services of £300,000 from Renewable Infrastructure Development Group Limited, a connected company of shareholder RIDG Projects Limited. At 31 March 2021, the balance outstanding was £36,866.

	2021	Unaudited 2020
Amounts due to related parties	£	£
Entities over which the entity has control, joint control or significant influence	-	725

The balance is interest free and has no fixed terms of repayment.

13 Parent company

At 31 March 2021, the directors do not consider the company has a controlling shareholder.

The principal shareholders are Green Investment Group Limited (registered office Atria One, 144 Morrison Street, Edinburgh, United Kingdom, EH3 8EX) and TNE Holdco 1 Limited (registered office Bridge Gate, 55-57 High Street, Redhill, Surrey, United Kingdom, RH1 1RX).

14 Prior period adjustment

Reconciliation of changes in equity

The prior period adjustments do not give rise to any effect upon equity.

Reconciliation of changes in loss for the previous financial period

	2020 £
Total adjustments	-
Loss as previously reported	(6,847)
Loss as adjusted	(6,847)

OFFSHORE WIND POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Prior period adjustment

(Continued)

Notes to reconciliation

Following the change in principle shareholder during the year, a review of the company's development costs accounting policy was undertaken. Development costs of £351,747 and related borrowing costs of £36,987 incurred in the year to 31 March 2020 have been reclassified as intangible assets from other debtors. Following the restatement at 31 March 2020 intangible assets are £388,734 (previously - £nil) and other debtors £10,189 (previously £398,923) There is no profit and loss impact of the reclassification.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.