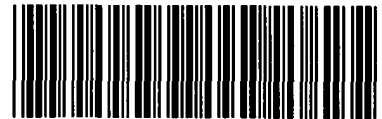


Company Registration No. SC605260 (Scotland)

**OFFSHORE WIND POWER LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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# OFFSHORE WIND POWER LIMITED

## COMPANY INFORMATION

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### Directors

M Hay  
M Giulianotti  
O Nielsen  
P de Cacqueray  
M Sandager  
M Porter  
S Thom

### Company number

SC605260

### Registered office

C/O Johnston Carmichael CA  
Clava House  
Cradlehall Business Park  
Inverness  
IV2 5GH  
United Kingdom

### Independent auditors

PricewaterhouseCoopers LLP  
40 Clarendon Road  
Watford  
Hertfordshire  
WD17 1JJ

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# OFFSHORE WIND POWER LIMITED

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# OFFSHORE WIND POWER LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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The directors present their annual report and audited financial statements for the year ended 31 March 2023.

#### Principal activities and review of the business

The principal activity of the company continues to be the development and construction of West of Orkney Windfarm off the west coast of Orkney, Scotland.

#### Results and dividends

The results for the year are set out on page 6. The Company reported a loss of £447,006 in the year to 31 March 2023 (2022 - loss of £221,519).

No ordinary dividends were paid in the current or prior year. The Directors do not recommend the payment of a final dividend.

#### Going concern

The company has recorded a loss before tax of £447,006 (2022: £221,519) for the year ended 31 March 2023 with net current liabilities of £106,506,512 (2022: £7,029,126) and net liabilities of £800,932 (2022: £353,926).

The Company is reliant upon funding from shareholders, principally Lochlann Holdco Limited (a subsidiary company of Corio Generation Limited ("Corio")) and TNE Holdco 1 Limited (a subsidiary company of TotalEnergies Renewables UK Limited (formerly TotalEnergies Offshore Wind Holdings UK Ltd) ("TotalEnergies")).

The company is reliant upon funding from its immediate shareholders Lochlann Holdco Limited and TNE Holdco 1 Limited. As at the date of signing these financial statements, the Company and shareholders have approved the development expenditure budget and corresponding shareholder funding to 31 March 2025. After this date, the company would need to reduce or pause development expenditure until a further budget is approved. This is less than 12 months from the date the financial statements are signed. Therefore, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The shareholders have separately approved a budget and relevant funding to cover payments under the Agreement for Lease with Crown Estate Scotland. On this basis the Directors have continued to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

#### 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	
E Northam	(Resigned 1 April 2022)
M Giulianiotti	
O Nielsen	
G de Saivre	(Resigned 6 June 2022)
P Knott	(Resigned 23 June 2022)
P de Cacqueray	
M Sandager	
J Rose	(Appointed 6 June 2022 and resigned 23 February 2024)
M Porter	(Appointed 23 June 2022)
S Thom	(Appointed 23 February 2024)

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the date of approval of the financial statements.

# OFFSHORE WIND POWER LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, 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 of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards 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.

#### Statement of disclosure 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.

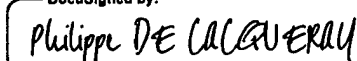
#### Small companies exemption

The report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions of section 415A.

In accordance with section 414B (b) of the Companies Act 2006, the directors are taking advantage of the small companies exemption to not prepare a strategic report.

On behalf of the board

DocuSigned by:

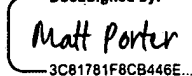


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P de Cacqueray

Director

DocuSigned by:



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M Porter

Director

10 April 2024

# Independent auditors' report to the members of Offshore Wind Power Limited

## Report on the audit of the financial statements

### 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 2023 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2023; the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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.

### Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the company's ability to continue as a going concern. As at the date of signing of the financial statements of the company, the shareholders of the company have approved the development expenditure budget and the corresponding shareholder funding up to 31 March 2025. After this date, the company would need to reduce or pause development expenditure until a further budget is approved. This is less than 12 months from the date the financial statements are signed. These conditions, along with the other matters explained in note 1.2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

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.

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

### 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 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 2023 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.

### **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 Companies Act 2006 and tax regulations, 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 posting fraudulent journals in underlying books and records. Audit procedures performed by the engagement team included:

- performing inquiries of management to determine if they were aware of any frauds, alleged frauds or matters of non-compliance with laws or regulations;
- inspecting the minutes of meetings of the Board of Directors to determine if there were any discussions involving frauds or alleged frauds, or non-compliance with laws and regulations;
- identifying and testing journal entries, in particular any journal entries posted with unexpected account combinations; and
- performing certain procedures on an unpredictable basis.

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**

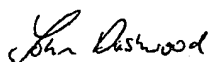
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.

### **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: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



John Dashwood (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
11 April 2024



**OFFSHORE WIND POWER LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Administrative expenses		(430,598)	(221,519)
<b>Operating loss</b>	<b>4</b>	<b>(430,598)</b>	<b>(221,519)</b>
Finance costs	7	(16,408)	-
<b>Loss before taxation</b>		<b>(447,006)</b>	<b>(221,519)</b>
Income tax expense	8	-	-
<b>Loss and total comprehensive expense for the year</b>	<b>19</b>	<b>(447,006)</b>	<b>(221,519)</b>

The notes on pages 10 to 24 form an integral part of the financial statements.

**OFFSHORE WIND POWER LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Non-current assets</b>			
Intangible assets	9	105,627,717	6,675,200
Property, plant and equipment	10	224,055	-
		<u>105,851,772</u>	<u>6,675,200</u>
<b>Current assets</b>			
Trade and other receivables	11	327,593	69,266
Cash and cash equivalents		19,371,529	65,867,798
		<u>19,699,122</u>	<u>65,937,064</u>
<b>Current liabilities</b>			
Trade and other payables	16	11,942,063	1,392,252
Borrowings	12	114,211,824	71,573,938
Lease liabilities	17	51,747	-
		<u>126,205,634</u>	<u>72,966,190</u>
<b>Net current liabilities</b>		<u>(106,506,512)</u>	<u>(7,029,126)</u>
<b>Non-current liabilities</b>			
Lease liabilities	17	146,192	-
<b>Net liabilities</b>		<u>(800,932)</u>	<u>(353,926)</u>
<b>Equity</b>			
Share capital	18	400	400
Accumulated losses	19	(801,332)	(354,326)
<b>Total equity</b>		<u>(800,932)</u>	<u>(353,926)</u>

The notes on pages 10 to 24 form an integral part of the financial statements.

The financial statements on pages 6 to 24 were approved by the Board of Directors on 10 April 2024 and signed on its behalf by:

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Philippe DE CACQUERAY

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P de Cacqueray  
Director

DocuSigned by:

Matt Porter

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M Porter  
Director

Company Registration No. SC605260

# OFFSHORE WIND POWER LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Accumulated losses	Total
	£	£	£
<b>Balance at 1 April 2021</b>	100	(132,807)	(132,707)
<b>Year ended 31 March 2022:</b>			
Loss and total comprehensive expense for the year	-	(221,519)	(221,519)
Issue of share capital	300	-	300
<b>Balance at 31 March 2022</b>	400	(354,326)	(353,926)
<b>Year ended 31 March 2023:</b>			
Loss and total comprehensive expense for the year	-	(447,006)	(447,006)
<b>Balance at 31 March 2023</b>	400	(801,332)	(800,932)

The notes on pages 10 to 24 form an integral part of the financial statements.

# OFFSHORE WIND POWER LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	£	2022 £	£
<b>Operating activities</b>					
Cash absorbed by operations	24	(708,427)		(400,272)	
<b>Net cash used in operating activities</b>		(708,427)		(400,272)	
<b>Investing activities</b>					
Purchase of intangible assets		(78,403,366)		(2,198,458)	
Purchase of property, plant and equipment		(39,705)		-	
<b>Net cash used in investing activities</b>		(78,443,071)		(2,198,458)	
<b>Financing activities</b>					
Proceeds from issue of shares		-		300	
Proceeds from borrowings		32,705,974		67,334,468	
Payment of lease liabilities		(50,745)		-	
<b>Net cash generated from financing activities</b>		32,655,229		67,334,768	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(46,496,269)		64,736,038	
Cash and cash equivalents at beginning of year		65,867,798		1,131,760	
Cash and cash equivalents at end of year		19,371,529		65,867,798	

The notes on pages 10 to 24 form an integral part of the financial statements.

Cash and cash equivalents relate in their entirety to deposits held at call with banks.

# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Company information

Offshore Wind Power Limited is a private company limited by shares incorporated in Scotland, United Kingdom. The registered office is C/O Johnston Carmichael CA, Clava House, Cradlehall Business Park, Inverness, IV2 5GH. The Company's principal activities and nature of its operations are disclosed in the Directors' report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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. Accounting policies have been applied consistently, other than where new policies have been adopted.

#### 1.2 Going concern

The company has recorded a loss before tax of £447,006 (2022: £221,519) for the year ended 31 March 2023 with net current liabilities of £106,506,512 (2022: £7,029,126) and net liabilities of £800,932 (2022: £353,926).

The Company is reliant upon funding from shareholders, principally Lochlann Holdco Limited (a subsidiary company of Corio Generation Limited ("Corio")) and TNE Holdco 1 Limited (a subsidiary company of TotalEnergies Renewables UK Limited (formerly TotalEnergies Offshore Wind Holdings UK Ltd) ("TotalEnergies")).

The company is reliant upon funding from its immediate shareholders Lochlann Holdco Limited and TNE Holdco 1 Limited. As at the date of signing these financial statements, the Company and shareholders have approved the development expenditure budget and corresponding shareholder funding to 31 March 2025. After this date, the company would need to reduce or pause development expenditure until a further budget is approved. This is less than 12 months from the date the financial statements are signed. Therefore, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The shareholders have separately approved a budget and relevant funding to cover payments under the Agreement for Lease with Crown Estate Scotland. On this basis the Directors have continued to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

#### 1.3 Research and development expenditure

Research expenditure is charged to the income statement 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.

# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 1 Accounting policies

(Continued)

##### 1.4 Intangible 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. Amortisation commences only when the intangible asset is ready for use and in the condition intended.

At the point the development asset is completed and is ready for use, the carrying value will be transferred to Property, Plant and Equipment, at which point it will be depreciated over its useful economic life less any residual value.

Borrowing costs directly relating to the development expenditure are capitalised.

##### 1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Computers	33.3% straight line
Office equipment	33.3% straight line
Right of use assets	Over the underlying lease period

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

##### 1.6 Impairment of tangible and intangible assets

At each reporting year end date, the Company reviews the carrying amounts of its 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).

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

##### 1.7 Cash and cash equivalents

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

##### 1.8 Financial assets

Financial assets are recognised when the Company becomes party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable are added to the fair value as appropriate, on initial recognition.

Financial assets are subsequently measured at amortised cost, being assets which are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets held by the company and measured at amortised cost are outlined at note 14.

# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### Financial assets (continued)

##### **Impairment of financial assets**

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost when the financial assets are considered 'credit-impaired'.

The Company makes this assessment at each reporting date with an asset 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is 'credit-impaired' includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- where it is probable that the borrower will enter bankruptcy or other financial reorganisation.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

##### **Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### 1.9 Financial liabilities

The Company recognises financial debt when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or other financial liabilities (which are measured at amortised cost) using the effective interest method. At present the Company does not have any financial liabilities at FVTPL and therefore financial liabilities are measured at amortised cost.

##### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Financial liabilities held by the company and measured at amortised cost are outlined at note 14.

# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

---

#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

#### 1.10 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue 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 income statement 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 is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary 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 income statement, 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 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.



# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 1 Accounting policies

(Continued)

##### Leases (continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Where relevant, the company elects not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

#### 2 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- |  |                |
|--|----------------|
| • Amendments to IFRS 16 related to lease liability in a sale and leaseback | 1 January 2024 |
| • Amendments to IAS 1 related to non-current liabilities with covenants    | 1 January 2024 |

\*Denotes IASB effective date (for periods commencing on or after).

# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 3 Critical accounting estimates and judgements

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements have had the most significant effect on amounts recognised in the financial statements.

#### Critical judgements

##### 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. £98,952,517 (2022: £3,904,185) of development costs and borrowing costs were capitalised during the year. 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.

It has been concluded that this development expenditure fulfils the requirements for capitalisation. Typically, expenditures can be measured reliably, for example by reference to contracts with suppliers. The project is technically feasible as the technology for the offshore wind power farm is well established. Based on the latest budgets and forecasts, the project is judged to be commercially feasible and is expected to generate future economic cash flows. The project's completion depends on the continued support by its shareholders and the ability of the company to obtain financing for further development and construction. In the Directors opinion such funding will continue to be available in the future.

##### Carrying value of intangible assets

Indicators of impairment in respect of the carrying value of intangible development costs are assessed annually, including consideration of recoverable amount compared to carrying value. No impairment indicators have been identified at 31 March 2023. Intangible development costs had a carrying value of £105,627,717 (2022: £6,675,200) at the reporting date.

#### 4 Operating loss

	2023	2022
	£	£
Operating loss for the year is stated after charging:		
Exchange losses	49,456	-
Fees payable to the Company's auditors for the audit of the Company's financial statements	43,800	40,000
Depreciation of property, plant and equipment	47,926	-
	<u>          </u>	<u>          </u>

#### 5 Employees

The average monthly number of persons employed by the Company during the year was nil (2022 - nil).

# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 6 Directors' remuneration

No remuneration was paid through the Company to the Company's directors during the current or prior year.

#### 7 Finance costs

	2023 £	2022 £
Interest on lease liabilities	16,408	-

#### 8 Income tax expense

The Company's income tax expense for the year was £Nil. This can be reconciled to the loss before taxation per the income statement as follows:

	2023 £	2022 £
Loss before taxation	(447,006)	(221,519)
Expected tax credit based on a corporation tax rate of 19.00% (2022: 19.00%)	(84,931)	(42,089)
Effect of expenses not deductible in determining taxable profit	1,441	-
Unutilised tax losses carried forward	109,855	59,534
Effect of change in UK corporation tax rate	(26,365)	(17,445)
<b>Taxation charge for the year</b>	-	-

A change in the future UK Corporation tax rate to 25% with effect from 1 April 2023 was then in the March 2021 budget and substantively enacted on 24 May 2021. This change will have a consequential effect on the Company's future tax charge in the UK and as the 25% tax rate was substantively enacted prior to the reporting date, deferred tax expected to unwind after 1 April 2023 has been calculated at 25% as opposed to the current tax rate of 19%.

The Company has unrecognised tax losses of £693,829 (2022: £254,408) available for carry forward and offset against future taxable profits. No deferred tax asset has been recognised in respect of these tax losses due to the uncertainty at the reporting date over the generation of future taxable profits against which the unused tax losses could be utilised.

# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 9 Intangible assets

	Development costs £
<b>Cost</b>	
At 1 April 2021	2,771,015
Additions	3,362,396
Borrowing costs capitalised	541,789
	<hr/>
At 31 March 2022	6,675,200
Additions	89,020,605
Borrowing costs capitalised	9,931,912
	<hr/>
At 31 March 2023	105,627,717
	<hr/>
<b>Carrying amount</b>	
At 31 March 2023	105,627,717
	<hr/> <hr/>
At 31 March 2022	6,675,200
	<hr/> <hr/>
At 31 March 2021	2,771,015
	<hr/> <hr/>

Included in development costs are capitalised borrowing costs of £10,751,212 (2022: £819,300).

#### 10 Property, plant and equipment

	Computers £	Office equipment £	Right of use assets £	Total £
<b>Cost</b>				
Additions	1,306	38,399	232,276	271,981
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	1,306	38,399	232,276	271,981
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>				
Charge for the year	290	7,295	40,341	47,926
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	290	7,295	40,341	47,926
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>				
At 31 March 2023	1,016	31,104	191,935	224,055
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 11 Trade and other receivables

	2023 £	2022 £
VAT recoverable	266,654	59,405
Other receivables	43,606	-
Prepayments	17,333	9,861
	<u>327,593</u>	<u>69,266</u>

#### 12 Borrowings

	2023 £	2022 £
<b>Borrowings held at amortised cost:</b>		
Other loans	<u>114,211,824</u>	<u>71,573,938</u>

Other loans relate to unsecured shareholder loan notes and other unsecured shareholder loans provided by Lochlann Holdco Limited of £62,828,862 (2022: £39,372,645) and TNE Holdco 1 Limited of £51,382,962 (2022: £32,201,293). The shareholder loan notes and loans accrue interest at 12% and are recorded as a current liability as redeemable at Shareholder's discretion. Further details of transactions in the year are outlined below and at note 13.

During the year unsecured loan notes of £32,705,974 (2022: £67,334,468) were issued to the Company's Shareholders. The shareholder loan notes accrue interest at 12% and are recorded as a current liability as redeemable at Shareholder's discretion. At 31 March 2023, unsecured loan notes of £56,662,212 (2022: £38,673,926) and interest of £5,818,522 (2022: £379,526) were due to Lochlann Holdco Limited and unsecured loan notes of £46,359,990 (2022: £31,642,302) and interest of £4,738,141 (2022: £297,834) were due to TNE Holdco 1 Limited.

At 31 March 2023, unsecured shareholder loans of £241,126 (2022: £241,126) and interest of £107,002 (2022: £78,067) were due to Lochlann Holdco Limited and unsecured shareholder loans of £197,284 (2022: £197,284) and interest of £87,547 (2022: £63,873) were due to TNE Holdco 1 Limited. The shareholder loans accrue interest at 12% and are recorded as a current liability as redeemable at Shareholder's discretion.

# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 13 Changes in liabilities arising from financing activities

The following table details the changes in the Company's liabilities arising from financing activities:

	At 1 April 2021	Repayments	New loans	Non-cash interest accrual	At 31 March 2022
	£	£	£	£	£
Unsecured shareholder loan notes	3,169,940	-	67,334,468	489,180	70,993,588
Unsecured other shareholder loans	527,741	-	-	52,609	580,350
	<u>3,697,681</u>	<u>-</u>	<u>67,334,468</u>	<u>541,789</u>	<u>71,573,938</u>
	At 1 April 2022	Repayments	New loans	Non-cash interest accrual	At 31 March 2023
	£	£	£	£	£
Unsecured shareholder loan notes	70,993,588	-	32,705,974	9,879,303	113,578,865
Unsecured other shareholder loans	580,350	-	-	52,609	632,959
	<u>71,573,938</u>	<u>-</u>	<u>32,705,974</u>	<u>9,931,912</u>	<u>114,211,824</u>

# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 14 Financial instruments

An analysis of the carrying value of the Company's financial assets and liabilities is as follows:

	Current 2023 £	Current 2022 £	Non-current 2023 £	Non-current 2022 £
<b>Financial assets at amortised cost</b>				
Cash and cash equivalents	19,371,529	65,867,798	-	-
Other receivables	43,606	-	-	-
	<u>19,415,135</u>	<u>65,867,798</u>	<u>-</u>	<u>-</u>
 <b>Financial liabilities at amortised cost</b>				
Trade and other payables	11,900,705	1,376,591	-	-
Other loans	114,211,824	71,573,938	-	-
Lease liabilities	51,747	-	146,192	-
	<u>126,164,276</u>	<u>72,950,529</u>	<u>146,192</u>	<u>-</u>

The Directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

Further aging analysis of the Company's financial liabilities is outlined at notes 12, 16 and 17.

## OFFSHORE WIND POWER LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

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#### 15 Financial risk review and management

##### **Capital management**

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to provide an adequate return to shareholders;
- to support the Company's stability and growth;
- to provide capital for the purpose of strengthening the Company's risk management capability; and
- to provide capital for the purpose of further project development investment.

The capital structure of the Company consists of debt (interest-bearing borrowings) and equity (comprising issued capital and accumulated losses). The Company is not subject to any externally imposed capital requirements.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and to maximise equity holder returns, taking into consideration the future capital requirements of the company and capital efficiency, projected capital expenditures, prevailing and projected profitability, projected cash flows, and projected strategic investment opportunities.

Management regards capital as total equity and reserves for capital management purposes ((£800,932) at 31 March 2023 (2022: (£353,926))).

##### **Financial risks management**

The Company's current operations and stage of project development expose it to a number of financial risks, principally credit risk and liquidity risk. The Company manages these risks through an effective risk management programme which is coordinated by the Board of Directors.

##### **Liquidity risk**

Liquidity risk refers to the Company being unable to settle its obligations as these fall due.

The Company closely monitors its access to Shareholder funding facilities and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet these obligations.

The Board regularly reviews debt management forecasts which estimate the cash inflows and outflows for the next twelve months, so that management can ensure that sufficient funding is in place as it is required.

##### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss for the Company. Credit risk predominantly arises from cash and cash equivalents.

Cash and cash equivalents are held with large and stable financial institutions.



# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 16 Trade and other payables

	2023 £	2022 £
Trade payables	912,258	191,462
Accruals	10,978,447	1,185,129
Social security and other taxation	41,358	15,661
Other payables	10,000	-
	<u>11,942,063</u>	<u>1,392,252</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period on purchases is 30 days.

Trade and other payables are unsecured, interest free and have a typical maturity profile of within 30 days.

Other payables relate to a funding overpayment due to TNE Holdco 1 Limited.

### 17 Lease liabilities

On 18 July 2022, the company entered into a 4 year lease agreement for rented office accommodation which has been accounted for in accordance with IFRS 16. The associated lease liability has been measured at the present value of the lease payments under the terms of the lease, discounted using the company's incremental borrowing rate. In determining the lease term applicable, management have considered the facts and circumstances relating to break options, taking account of such options only where there is reasonable certainty that they will be exercised.

The lease liability along with expected maturity is as follows:

	2023 £	2022 £
<b>Maturity analysis</b>		
Within one year	51,747	-
In two to five years	146,192	-
<b>Total undiscounted liabilities</b>	<u>197,939</u>	<u>-</u>

The liability has been disclosed within the financial statements as:

	2023 £	2022 £
Current liabilities	51,747	-
Non-current liabilities	146,192	-
	<u>197,939</u>	<u>-</u>

# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 17 Lease liabilities

(Continued)

	2023	2022
	£	£
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	16,408	-
Depreciation on right of use assets	40,341	-
	<u>56,749</u>	<u>-</u>

The total cash outflow in the year in respect of the company's leases was £50,745.

#### 18 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary Shares of £1 each	400	400	400	400
	<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>

Ordinary shares entitle the holder to voting rights on a vote per share basis and Ordinary shares rank equally in respect of dividends and distribution rights.

#### 19 Accumulated losses

Accumulated losses represent accumulated comprehensive income or expense for the year less any dividends paid.

#### 20 Capital commitments

	2023	2022
	£	£
At 31 March the Company had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of intangible assets	26,006,245	75,000
	<u>26,006,245</u>	<u>75,000</u>

#### 21 Events after the reporting date

On 5 July 2023, 15,321,000 shareholder loan notes of £1 were issued at par value to Lochlann Holdco Limited (£8,426,550) and TNE Holdco 1 Limited (£6,894,450).

On 6 October 2023, 2,275,000 shareholder loan notes of £1 were issued at par value to Lochlann Holdco Limited (£1,251,250) and TNE Holdco 1 Limited (£1,023,750).

On 8 April 2024, 11,900,205 shareholder loan notes of £1 were issued at par value to Lochlann Holdco Limited (£6,545,113) and TNE Holdco 1 Limited (£5,355,092).

# OFFSHORE WIND POWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 22 Related party transactions

During the year the Company incurred project management fees of £519,442 (2022: £416,000) and recharged expenses of £6,776 (2022: £30,000) from Renewable Infrastructure Development Group Limited, a connected company of shareholder RIDG Projects Limited. At 31 March 2023, the balance outstanding was £75,820 (2022: £210,000).

During the year the Company incurred project related costs of £7,678,122 (2022: £44,370) from TotalEnergies E&P UK Limited and £1,247,025 (2022: £nil) from TotalEnergies Renewables UK Limited (formerly TotalEnergies Offshore Wind Holdings UK Ltd). Both entities are connected companies of Shareholder The Holdco 1 Limited. At 31 March 2023, the balance outstanding to these entities was £4,968,929 (2022: £nil).

During the year the Company incurred project related costs of £1,004,120 (2022: £nil) from Corio Generation Limited, a shareholder group entity. At 31 March 2023, the balance outstanding was £1,004,120 (2022: £nil).

Details of unsecured loan notes and shareholder loans issued during the year and connected amounts due to related parties are outlined at notes 12 and 16.

#### 23 Controlling party

The company is jointly controlled by its shareholders.

As at 31 March 2023, 46.75% of the ordinary shares of the Company were owned by Lochlann Holdco Limited, 38.25% TNE Holdco 1 Limited and 15% by RIDG Projects Limited.

#### 24 Cash absorbed by operations

	2023 £	2022 £
Loss for the year after tax	(447,006)	(221,519)
<b>Adjustments for:</b>		
Finance costs	16,408	-
Depreciation and impairment of property, plant and equipment	47,926	-
<b>Movements in working capital:</b>		
(Increase)/decrease in trade and other receivables	(258,327)	81,091
Decrease in trade and other payables	(67,428)	(259,844)
<b>Cash absorbed by operations</b>	<u>(708,427)</u>	<u>(400,272)</u>