Registered number: 13497266

MONA OFFSHORE WIND LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

MONA OFFSHORE WIND LIMITED

CONTENTS

MONA OFFSHORE WIND LIMITED
COMPANY INFORMATION

Directors

E K Eisenberg
M Fischer
H Grubel
R J Sandford

Company secretary

Petershill Secretaries Limited

Registered office

Chertsey Road
Sunbury On Thames
Middlesex
TW16 7BP
United Kingdom

Independent auditors

Deloitte LLP
2 New Street Square
London
EC4A 3BZ
United Kingdom

MONA OFFSHORE WIND LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present their Directors' report and the audited financial statements for Mona Offshore Wind Limited (the Company) for the period ended 31 December 2022.

First period of account

The Company was incorporated on 6 July 2021 and these first period financial statements have been prepared for a period of 18 months.

Principal activity

The Company is engaged in the development and construction of an offshore wind farm off the coast of North Wales in the Irish Sea (the project).

Business review

During the reporting period, the Company was focused on carrying out early development works such as geophysical and geotechnical surveys, environmental impact assessments, and public consultations. The Company also undertook various engineering studies and analysis to further develop the project's technical design envelop.

The Company successfully completed plan-level Habitat Regulations Assessments (HRA) and other requirements resulting in the signing of an Agreement for Lease with the Crown Estate, England in January 2023. The Company is now focused on completing the next stages of geophysical surveys, and consenting activities; submission of Preliminary Environmental Information Report; working with local communities and engaging with supply chain so the Company can apply for the Development Consent Order (DCO) in 2024.

The Company is also actively engaged with the National Grid with regards to the project connection to the wider grid and preparing for the transmission asset consent process, while carrying out early stage engineering works.

The directors believe that, given the Company's current activities and status of the development project, analysis of performance for the period ended 31 December 2022 using key financial and other performance indicators is not appropriate.

Dividends

The directors do not recommend the payment of a dividend, and no dividend has been paid or proposed during the period and up to the date of signing the financial statements.

Future developments

It is the intention of the directors that the development and subsequent construction of the wind farm project will continue for the foreseeable future.

Principal risks and uncertainties

The Company manages, monitors and reports on the principal risks and uncertainties that can impact the Company's ability to deliver its objectives. The Company's system of internal control includes policies, processes, management systems, organisational structures, culture and standards of conduct employed to manage Company's business and associated risks.

MONA OFFSHORE WIND LIMITED
DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2022

Principal risk and uncertainties (continued)

Throughout the period, Company's management and the board provided oversight of how principal risks to the Company are identified, assessed and managed. They support appropriate governance of risk management including having relevant policies in place to help manage risks. The Company has also implemented review and reporting processes to measure project progress and risks.

The risks listed below, separately or in combination, could have a material adverse effect on the implementation of the company's strategy, business, financial performance, results of operations, cash flows, liquidity, prospects, shareholder value and returns and reputation.

Strategic and commercial risks

Operational Risk

At this early-stage of development activities, the Company's project is exposed to risks of delays and cost overruns due to not being able to obtain relevant permits, licenses and approval from various government agencies; delays in reaching key development milestones; pricing uncertainties in the electricity markets and challenges in maintaining cost competitiveness. These factors further expose the Company to a risk of a delayed final investment decision or not achieving this milestone. The Company mitigates these risks through regular meetings with relevant stakeholders; and by establishing project management policies, procedures and experienced cross functional teams to manage and track the project progress. The Company is also developing an offtake strategy with different options seeking to minimize price uncertainties.

Geopolitical

The Company is exposed to a range of political, economic and social developments and resultant changes to the operating and regulatory environment which could cause business disruption. Political instability, changes to the regulatory environment or taxation, international trade disputes and barriers to free trade, international sanctions, and public health situations (including the continued impact of the COVID-19 pandemic or any future epidemic or pandemic) may disrupt or curtail Company's activities. These may affect the recoverability of our assets, and our future earnings and cash flows or cause us to incur additional costs, particularly due to the long-term nature of the project and significant capital expenditure.

Digital infrastructure and cybersecurity

The Company is subject to fast-evolving cyber security risks. There is also growing regulation around data protection and data privacy. A breach or failure of our or third parties' digital infrastructure due to breaches of our cyber defences, or those of third parties, negligence, intentional misconduct or other reasons, could seriously disrupt our operations, result in the loss or misuse of data or sensitive information, harm to the environment or our assets, legal or regulatory breaches, legal liability and significant costs including fines, or reputational consequences.

Safety and operational risks

Personal safety and environmental risks

The company is exposed to safety, security and environmental risks. Though the Company has adequate policies and procedures to address these risks, there can be no certainty that our policies and procedures will adequately identify all personal safety and environmental risks. Such events or conditions could cause harm to people, the environment and the company's assets and could result in regulatory action, legal liability, business interruption, increased costs, damage to the company's reputation and potentially denial of its licence to operate.

MONA OFFSHORE WIND LIMITED
DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2022

Principal risk and uncertainties (continued)

Regulation

Changes in the fiscal and regulator frameworks specifically around taxation, electricity prices, generation and transmission assets and grid connections could increase costs, constrain the company's operations and affect its business plans and financial performance.

Financial risk management

The Company is exposed to a number of different financial risks arising from natural business exposures including market risks relating to foreign currency exchange rates interest rates; credit risk; and liquidity risk.

Foreign currency exchange risk

Exchange rate fluctuations can create currency exposures and impact underlying costs and revenues. The Company is a GBP functional currency entity which so far has had minimal transactions of relatively low values in foreign currencies. Going forward, should a substantial portion of transactions be in foreign currencies, such as EUR or USD, these could expose the Company to exchange rate fluctuations. In such a case the Company's risk management strategy will be to use foreign currency forward contracts to reduce such exposure and adverse impact to cash flows to the extent that it is practicable and cost effective to do so. At the Balance Sheet date, the Company is not exposed to significant sensitivity to foreign currency rates.

Interest rate risk

The Company is currently funded through shareholder's equity and hence, not exposed to interest rate risk. Going forward, should the Company utilise long term floating GBP loans, these could potentially expose the Company to variability in interest rates. In such a case, the Company will aim to protect against the adverse fluctuations in interest rates by utilising interest rate swaps to reduce the exposure in variability in cashflows to the extent that it is practicable and cost effective to do so.

Liquidity risk

Failure to work within the financial framework set by the Company could impact the Company's ability to operate and result in financial loss. A substantial and unexpected funding request could disrupt the Company's financial framework or overwhelm its ability to meet its obligations. Credit rating downgrades could potentially increase future financing costs and limit access to financing which could put pressure on the Company's liquidity.

The Company is not significantly exposed to liquidity or cashflow risk as the Company receives financial support from its parent undertaking to meets its commitments related to the construction of the offshore wind farm. Management monitors funding and liquidity and ensures the availability of required liquidity though cash management. It is Company's policy to ensure adequate liquidity to satisfy its obligations.

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Company and arises from cash and cash equivalents and principally from credit exposures to customers relating to outstanding receivables. The company is not significantly exposed to credit risk due to its current lack of revenue generation activities.

MONA OFFSHORE WIND LIMITED
DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2022

Going concern

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The current economic and geopolitical environment were considered as part of the going concern assessment. In addition, directors have also taken into account the forecast spend and cash requirements for a period of 12 months from the date of approval of these financial statements.

The Company is reliant on ultimate parent companies to provide funding and support, given early-stage development activities of the project.

In assessing the prospects of Mona Offshore Wind Limited, the directors noted that while there is uncertainty given the project is in early stage development, based on the ultimate parent companies obligations under the Shareholders Agreement and the letters of parental support received, the Company expects that it has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements, and the directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

As part of the going concern basis of preparation for the Company, the ability and intent of bp Alternative Energy Investments Limited and EnBW Energie Baden-Württemberg AG to support the Company has also been taken into consideration. No material uncertainties over going concern or significant judgements or estimates on the assessment were identified. Accordingly, the Company will be able to draw on support from the parent undertakings for the next 12 months from the date of these financial statements and these financial statements have therefore been prepared on a going concern basis. For further information on financial risk factors, including credit risk and liquidity risk, see page 4.

Directors

The directors who served during the period and up to the date of signing the financial statements, unless otherwise stated, were:

D T Anderson	(appointed 6 July 2021 and resigned 5 August 2021)
F Arbelaez	(appointed 5 August 2021 and resigned 11 July 2022)
E K Eisenberg	(appointed 5 August 2021)
M Fischer	(appointed 23 September 2021)
H Grubel	(appointed 23 September 2021)
R J Sandford	(appointed 11 July 2022)

Qualifying third-party indemnity provisions

The Company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Such qualifying third-party indemnity provisions for the benefit of the Company's directors remain in force at the date of this report.

Post balance sheet events

On 6 January 2023, 287,500,000 ordinary shares of £1 each for a total nominal value of £287,500,000, were allotted to the immediate parent company at par value.

On 17 January 2023, the Company, signed an Agreement for Lease with The Crown Estate for its offshore wind project.

MONA OFFSHORE WIND LIMITED
DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2022

Post balance sheet events (continued)

On 6 January 2023, a "Deed of Nomination" was signed in which bp Alternative Energy Investments Limited and EnBW Energie Baden-Württemberg AG (the parent companies) nominated the Company as the Tenant for the purposes of the Agreement for Lease for a total consideration of £231,000,000. As a result, on this date the related cost of £231,000,000 was recharged to the Company from the parent companies.

Disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of the auditor's report of which the company's auditor is unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Auditors

The auditors, Deloitte LLP, were appointed during the period as the auditor to the company for the period ended 31 December 2022 and will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small company's exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small companies' exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

Approved by the Board and signed on its behalf by:

E K Eisenberg	DocuSigned by: Erin Eisenberg 553A4859F88A4F7...	M Fischer	DocuSigned by: 96AC0EF3D8D1412...
Director		Director	
Date:	April 5, 2023	**Date:**	April 5, 2023

MONA OFFSHORE WIND LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES OF MONA OFFSHORE WIND LIMITED

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. 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 of the profit or loss of the company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MONA OFFSHORE WIND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONA OFFSHORE WIND LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Mona Offshore Wind Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit or loss and other comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of cash flows;
- the principal accounting policies; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to 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.

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.

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

MONA OFFSHORE WIND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONA OFFSHORE WIND LIMITED (continued)

Other information

The other information comprises the information included in the directors report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONA OFFSHORE WIND LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, IFRS compliance and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the licensing authority ('The Crown Estate').

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

MONA OFFSHORE WIND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONA OFFSHORE WIND LIMITED (continued)

Report on other legal and regulatory requirements (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

W T

373B88E42FC840E...

William Brooks, FCA
For and on behalf of Deloitte LLP
Statutory Auditor

2 New Street Square,
London, United Kingdom,
EC4A 3BZ

Date: April 5, 2023

MONA OFFSHORE WIND LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	Period from incorporation on 6 July 2021 to 31 December 2022 £
Administrative expenses		(231,271)
Operating loss		**(231,271)**
Finance income	6	116,303
Loss before tax		**(114,968)**
Tax	7	(22,098)
Loss for the financial period		**(137,066)**

The notes on pages 16 to 31 are an integral part of these financial statements.

The loss of £137,066 for the period ended 31 December 2022 was derived in its entirety from continuing operations.

There is no comprehensive income attributable to the shareholders of the company other than the loss for the period.

MONA OFFSHORE WIND LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £
Non-current assets		
Tangible assets	8	37,290,383
		37,290,383
Current assets		
Trade and other receivables	9	474,802
Cash & cash equivalent	10	1,345,092
Total current assets		**1,819,894**
Total assets		**39,110,277**
Current liabilities		
Trade and other payables	11	(11,145,041)
Total current liabilities		**(11,145,041)**
Total liabilities		**(11,145,041)**
Net assets		**27,965,236**
Equity		
Share capital	14	28,102,302
Retained earnings		(137,066)
Total equity		**27,965,236**

The notes on pages 16 to 31 are an integral part of these financial statements.

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

The financial statements on pages 12 to 31 were approved by the board of directors and were signed on its behalf by:

E K Eisenberg DocuSigned by: Erin Eisenberg 553A4859F88A4F7...	**M Fischer** DocuSigned by: 96AC0EF3D8D1412...
Director	**Director**
Date: April 5, 2023	**Date:** April 5, 2023

MONA OFFSHORE WIND LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share capital £	Retained earnings £	Total equity £
Comprehensive expense:			
Loss for the financial period	–	(137,066)	**(137,066)**
Total comprehensive expense for the financial period	–	(137,066)	**(137,066)**
Transactions with owners:			
Issue of share capital	28,102,302	–	**28,102,302**
Total transactions with owners, recognised directly in equity	28,102,302	–	**28,102,302**
At 31 December 2022	**28,102,302**	**(137,066)**	**27,965,236**

The notes on pages 16 to 31 are an integral part of these financial statements.

MONA OFFSHORE WIND LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	2022 £
Cash generated from operating activities	16	1,141,887
Net cash generated from operating activities		**1,141,887**
Cash flow from investing activities		
Purchase of tangible assets		(25,580,495)
Interest received		(116,303)
Net cash used in investing activity		**(25,696,798)**
Cash flow from financing activities		
Proceeds from issue of ordinary share capital (net of costs of issue)		25,900,002
Cash flows from financing activity		**25,900,002**
Net increase in cash and cash equivalents		**1,345,092**
Cash and cash equivalents at the beginning of the period		–
Cash and cash equivalents at the end of the period		**1,345,092**

The notes on pages 16 to 31 are an integral part of these financial statements.

MONA OFFSHORE WIND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

1 General information

The financial statements of Mona Offshore Wind Limited for the period ended 31 December 2022 were approved by the board of directors on 5 April 2023 and the balance sheet was signed on the board's behalf by E K Eisenberg and M Fischer. Mona Offshore Wind Limited (Registered number: 13497266) is a private Company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The Company's registered office is at Chertsey Road, Sunbury On Thames, Middlesex, TW16 7BP, United Kingdom.

Principal Activity

The Company is engaged in the development and construction of an offshore wind farm off the coast of North Wales in the Irish Sea (the project).

2 Principal accounting policies

The significant accounting policies and critical accounting judgements, estimates and assumptions of the Company are set out below.

2.1 Going concern

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The current economic and geopolitical environment were considered as part of the going concern assessment. In addition, directors have also taken into account the forecast spend and cash requirements for a period of 12 months from the date of approval of these financial statements.

The Company is reliant on ultimate parent companies to provide funding and support, given early-stage development activities of the project.

In assessing the prospects of Mona Offshore Wind Limited, the directors noted that while there is uncertainty given the project is in early stage development, based on the ultimate parent companies obligations under the Shareholders Agreement and the letters of parental support received, the Company expects that it has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements, and the directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

As part of the going concern basis of preparation for the Company, the ability and intent of bp Alternative Energy Investments Limited and EnBW Energie Baden-Württemberg AG to support the Company has also been taken into consideration. No material uncertainties over going concern or significant judgements or estimates on the assessment were identified. Accordingly, the Company will be able to draw on support from the parent undertakings for the next 12 months from the date of these financial statements and these financial statements have therefore been prepared on a going concern basis. For further information on financial risk factors, including credit risk and liquidity risk, see page 4.

2.2 Significant accounting policies, judgements, estimates and assumptions

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with International Accounting Standards as adopted by the UK.

2.2 Significant accounting policies, judgements, estimates and assumptions (continued)

Significant accounting policies: use of judgements, estimates and assumptions

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual outcomes could differ from the estimates and assumptions used. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations on future events that are believed to be reasonable under the circumstances.

2.3 New standards, amendments and IFRIC interpretations

Amendments to IFRSs that are mandatorily effective for the current year:

In the current year, the company has applied the following amendments to adopted IFRSs that are mandatorily effective for an accounting period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- Amendment to IFRS 16, Leases Covid 19- Related rent concessions;
- Narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16.

New and revised IFRSs in issue but not yet effective:

At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRSs that have been issued but are not yet effective and in some cases had not yet been adopted by the EU:

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;
- Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction;
- Amendment to IAS 1 - Non current liabilities with covenants;
- Amendment to IFRS 16 - Leases on sale and leaseback;
- IFRS 17, 'Insurance contracts' as amended in December 2021.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

The director does not expect that the adoption of the standards listed above will have a material impact on the financial statements of the company in future periods.

2.4 Foreign currency

i. Functional and presentation currency

The functional and presentational currency of the financial statements is GBP. The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except where deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Finance income

Interest income is recognised as the interest accrues using the effective interest rate – that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

2.6 Taxation

Taxation expense for the period comprises current tax recognised in the reporting period.

Tax is recognised in the statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax is provided, using the balance sheet method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.6 Taxation (continued)

Deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred tax liability arises on the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilise. An exception is where the deferred tax asset relates to the deductible temporary difference arising from the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductive temporary differences.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable or increased to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Deferred tax assets and liabilities are not discounted.

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

Where tax treatments are uncertain, if it is considered probable that a taxation authority will accept the Company's proposed tax treatment, income taxes are recognised consistent with the Company's income tax filings. If it is not considered probable, the uncertainty is reflected within the carrying amount of the applicable tax asset or liability using either the most likely amount or an expected value, depending on which method better predicts the resolution of the uncertainty.

Judgement is required when determining whether a particular tax is an income tax or another type of tax. Accounting for deferred tax is applied to income taxes as described above but is not applied to other types of taxes; rather such taxes are recognised in the profit and loss account in accordance with the applicable accounting policy such as Provisions and contingent liabilities.

2.7 Tangible assets

Tangible assets owned by the Company are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if applicable, and, for assets that necessarily take a substantial period of time to get ready for their intended use, directly-attributable finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset

Tangible assets are depreciated on a straight-line basis over their expected useful lives following commencement of operations as follows:

Windfarm assets - 25-56 years

The expected useful lives and depreciation method of tangible assets are reviewed on an annual basis and, if necessary, changes in useful lives or the depreciation method are accounted for prospectively.

The carrying amounts of tangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

An item of tangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss account in the period in which the item is derecognised.

Impairment of tangible assets

The Company assesses assets or groups of assets, called cash-generating units (CGUs) for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, for example, changes in the Company's business plans, plans to dispose rather than retain assets, changes in commodity prices, or evidence of physical damage. If any such indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. An asset group's recoverable amount is the higher of its fair value less costs to sell and its value in use. If it is probable that the value of the CGU will primarily be recovered through a disposal transaction, the expected disposal proceeds are considered in determining the recoverable amount.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

The approved business plans of the Company are the primary source of information for the determination of value in use. They contain forecasts for power generation, revenues, costs and capital expenditure. As an initial step in the preparation of these plans, various assumptions regarding market conditions, such as power prices, and cost inflation rates are set by management. These assumptions take account of existing prices, global supply-demand equilibrium, other macroeconomic factors and historical trends and variability. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group that are not reflected in the discount rate and are discounted to their present value typically using a pre-tax discount rate that reflects current market assessments of the time value of money.

2.7 Tangible assets (continued)

Impairment of tangible assets (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation,had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.8 Assets under course of construction

Assets under course of construction relate to items that are fixed assets in nature but are not yet complete. These costs are held in the balance sheet but are not depreciated. Once all the costs relating to a particular asset have been incurred and the asset is in use the asset is transferred to the relevant class within tangible fixed assets and depreciation is then applied. At any stage of activity in a project, the overriding factor in determining whether costs shall be capitalised is whether they are directly attributable to the acquisition, development or construction of a specific asset that is controlled by the Company. The requirement to be 'directly attributable' means that the cost incurred must be required to bring the asset to the condition and location necessary for it to be capable of operating in the manner intended by management. Costs that do not contribute to the direct development or construction of the specific asset are therefore expensed. Costs incurred at the early stages of a project that are unlikely to be specific or identifiable to the asset being acquired or constructed shall also be expensed.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash at bank.

2.10 Financial instruments

Financial assets

Financial assets are recognised initially at fair value, normally being the transaction price. In the case of financial assets not at fair value through profit or loss, directly attributable transaction costs are also included. The subsequent measurement of financial assets depends on their classification, as set out below.

The Company derecognises financial assets when the contractual rights to the cash flows expire or the rights to receive cash flows have been transferred to a third party along with either substantially all of the risks and rewards or control of the asset. This includes the derecognition of receivables for which discounting arrangements are entered into.

The Company classifies its financial assets as measured at amortised cost or fair value through profit or loss.

The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

2.10 Financial instruments (continued)

Financial assets measured at amortised cost

Financial assets are classified as measured at amortised cost when they are held in a business model the objective of which is to collect contractual cash flows and the contractual cash flows represent solely payments of principal and interest. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired and when interest is recognised using the effective interest method. This category of financial assets includes trade and other receivables.

Financial assets measured at fair value through profit or loss

Financial assets are classified as measured at fair value through profit or loss when the asset does not meet the criteria to be measured at amortised cost. Such assets are carried on the balance sheet at fair value with gains or losses recognised in the profit and loss account. Derivatives, other than those designated as effective hedging instruments, are included in this category.

Impairment of financial assets

The Company always recognises lifetime expected credit losses (ECL), the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of a Financial Instrument, for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are however normally recognised at transaction costs as they are normally settled within less than one year hence the Company presumes that the trade receivables do not have a significant financing component.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Company's financial assets measured at amortised cost comprise trade and other receivables, amounts owed by group undertakings and cash and cash equivalents in the balance sheet.

Cash and cash equivalents include cash at bank.

2.10 Financial instruments (continued)

Financial liabilities

Fair value through profit or loss

Financial liabilities that meet the definition of held for trading are classified as measured at fair value through profit or loss. Such liabilities are carried on the balance sheet at fair value with gains or losses recognized in the profit and loss account. Derivatives, other than those designated as effective hedging instruments, are included in this category

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

Offsetting of financial assets and liabilities

Financial assets and liabilities are presented gross in the balance sheet unless both of the following criteria are met: the Company currently has a legally enforceable right to set off the recognised amounts; and the Company intends to either settle on a net basis or realise the asset and settle the liability simultaneously. If both of the criteria are met, the amounts are set off and presented net. A right of set off is the Company's legal right to settle an amount payable to a creditor by applying against it an amount receivable from the same counterparty. The relevant legal jurisdiction and laws applicable to the relationships between the parties are considered when assessing whether a current legally enforceable right to set off exists.

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3 Critical accounting judgements and estimation uncertainty

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

Key Judgement

Capitalisation of development costs

When developing a long-term offshore wind farm project, an assessment is required to establish at which point the project is sufficiently likely to bring future economic benefits to allow the capitalisation of costs. It is expected that the offshore wind farm project will take a number of years to reach the final investment decision (FID), during which time significant costs would have been incurred. The progress and ultimate success of the project depends on obtaining relevant permits, licenses and approval from various government agencies, reaching key milestones and cost competitiveness. The decision to capitalise costs prior to FID is based upon management's expectations regarding the likelihood of the project acquiring all required approvals, reaching key development milestones and estimates of financial viability, which are areas of judgement. Given the approved 60-year seabed agreement for the lease and the current regulatory and commercial landscape, management have judged it probable that the project will progress to FID and commercial operations and bring future economic benefits. Hence, pre-FID early stage development costs that meet all other criteria for capitalisation are being recorded as property, plant and equipment in the company's balance sheet.

4 Auditors' remuneration

	2022 £
Fees payable to the Company's auditors and its associates for the audit of the Company's financial statements	38,000
	38,000

5 Employee information

(a) Remuneration of directors

The directors of the Company are also directors or officers of other group companies, and received no remuneration for the qualifying services to this Company.

No directors received contributions from the Company into a personal pension scheme for individual employees.

(b) Employee costs

The Company had no employees during the period.

6 Finance income

	2022
	£
Interest income on bank deposit	116,303
Total interest income on financial assets measured at amortised cost	**116,303**

7 Tax

(a) Analysis of charge in the period

	2022
	£
Current tax:	
UK corporation tax on profits for the period	**22,098**
Current tax charge	**22,098**
Tax	**22,098**

(b) Factors affecting the tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2022
	£
Loss before tax	**(114,968)**
Loss before tax multiplied by UK weighted average rate of tax of 19%	(21,844)
Effects of:	
Expenses not deductible for tax purposes	2
Tax rate change	(1)
Amounts not recognised in respect of pre-trading expenditure	43,941
Total tax charge	**22,098**

(c) Tax rate changes

In the Spring Budget 2022, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. There is no impact of this rate change on the company's deferred tax position as the company had no deferred tax balances recognised at the balance sheet date.

MONA OFFSHORE WIND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2022

8 Tangible assets

	Assets under construction £	Total £
Cost		
Additions	37,290,383	**37,290,383**
At 31 December 2022	37,290,383	**37,290,383**
Accumulated depreciation		
At 31 December 2022	–	–
Net book value		
At 31 December 2022	37,290,383	**37,290,383**

9 Trade and other receivables

	2022 £
Amounts falling due within one year	
Amounts owed by group undertakings	251
Other debtors - VAT receivable	474,551
	474,802

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10 Cash and cash equivalents

	2022 £
Cash at bank	**1,345,092**

MONA OFFSHORE WIND LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2022

11 Trade and other payables

	2022
	£
Trade creditors	2,613,899
Amounts owed to group undertakings	2,268,318
Corporation tax	22,098
Accruals and deferred income	6,240,726
	11,145,041

Amounts owed to group undertakings are unsecured, interest free, and are payable within 30 days when invoiced.

Loan from parent undertaking

During the period, the Company entered into a financing agreement with BP Alternative Energy Investments Limited (Lender) whereas the facility is to be used to finance the amounts due in respect of the following:

1. £23,100,000 in respect of VAT arising from the transfer of the Preferred Bidder Letter from the Lender to the Company ; and

2. £220,230 in respect of VAT arising from the supply of the project rights (other than the Preferred Bidder Letter) to the Company by the Lender.

The above facility is interest free; can be extended up to four years from the date of drawdown and repayable within 10 business days of the Company receiving the benefit of relevant input VAT. During the reporting period, the Company had availed and repaid £220,230 and the balance £23,100,000 was unutilised at the balance sheet date.

12 Deferred taxation

At the period end, the company has an unrecognised deferred tax asset of £57,817 in relation to trading losses. The related deferred tax asset has not been recognised due to uncertainty over the availability of future taxable profits.

MONA OFFSHORE WIND LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2022

13 Financial instruments

The company's principal financial instruments are set out below and stated at their carrying values:

	2022 £
Financial assets at amortised cost:	
Cash and cash equivalents	1,345,092
Trade and other receivables	474,802
	1,819,894
Financial liabilities at amortised cost:	
Trade and other payables	4,904,315
	4,904,315

There were no significant differences between the carrying amounts and fair values of any of the financial assets or financial liabilities in the Balance Sheet as at 31 December 2022.

Liquidity risk

The Company is supported by the parent undertakings. Management monitors funding to ensure availability of required liquidity through cash management. It is the Company's policy to ensure adequate liquidity to satisfy its obligations.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

2022 Financial liabilities	Carrying amount	Contractual cash flows	Less than 12 months	1-2 years	2-5 years	More than 5 years
	£	£	£	£	£	£
Trade and other payables	4,904,315	4,904,315	4,904,315			
	4,904,315	4,904,315	4,904,315	–	–	–

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from HMRC and monies on deposit with financial institutions.

Receivables balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

13 Financial instruments (continued)

Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2022
	£
Financial assets at amortised cost:	
Cash and cash equivalents	1,345,092
Trade and other receivables	474,802
	1,819,894

Capital management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The Company defines capital as net funds (total assets less total liabilities) and equity attributable to shareholders.

There are no external imposed restrictions on the Company's capital structure.

14 Called up share capital

	2022
	£
Allotted and fully paid	
28,102,302 ordinary shares of £1.00 each	28,102,302
	28,102,302

During the period, total 28,102,302 ordinary shares of £1 each were allotted to the parent companies at par value. These were:

- 25,900,002 settled in cash for nominal value of £25,900,002; and
- 2,202,300 settled as consideration for the transfer of project rights.

15 Reserves

Retained earnings

The balance held on this reserve is the accumulated losses of the company.

MONA OFFSHORE WIND LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2022

16 Net cash used in operating activities

	2022
	£
Loss before tax	(114,968)
Interest receivable and similar income	116,303
Increase in trade and other receivables	(474,802)
Increase in trade and other payables	1,615,354
Net cash generated from operating activities	**1,141,887**

17 Related party transactions

Key management personnel

During the period, key management personnel of the Company received total remuneration of £nil.

Other related party transactions

	2022
	£
Morgan Offshore Wind Holding Limited	
Expenses recharged out	**251**
Amount owed by immediate parent at 31 December 2022	**251**
BP Alternative Energy Investments Limited	
Expenses recharge in	**8,899,254**
Amount owed to ultimate parent at 31 December 2022	**1,233,622**
EnBW Energie Baden-Württemberg AG	
Expenses recharged in	**5,106,328**
Amount owed to ultimate parent at 31 December 2022	**1,034,696**

Amounts outstanding are unsecured, do not carry interest and will be settled in cash. No securities have been given or received, and repayable within 30 days when invoiced.

18 Capital and other commitments

At 31 December 2022, the Company had the following capital commitments:

	2022
	£
Contracts for future capital expenditure not provided in the financial statements	**9,791,589**

19 Post balance sheet events

On 6 January 2023, 287,500,000 ordinary shares of £1 each for a total nominal value of £287,500,000, were allotted to the immediate parent company at par value.

On 17 January 2023, the Company, signed an Agreement for Lease with The Crown Estate for its offshore wind project.

On 6 January 2023, a "Deed of Nomination" was signed in which bp Alternative Energy Investments Limited and EnBW Energie Baden-Württemberg AG (the parent companies) nominated the Company as the Tenant for the purposes of the Agreement for Lease for a total consideration of £231,000,000. As a result, on this date the related cost of £231,000,000 was recharged to the Company from the parent companies.

20 Controlling party

The immediate parent company is Mona Offshore Wind Holdings Limited which is registered in the United Kingdom.

The ultimate parent companies are bp Alternative Energy Investments Limited and EnBW Energie Baden-Württemberg AG which are registered in United Kingdom and Germany respectively and whose registered office addresses are Chertsey Road, Sunbury On Thames, Middlesex, TW16 7BP, United Kingdom and Durlacher Allee 93, 76131 Karlsruhe, Germany, respectively.

There is no one ultimate controlling party.