

Registered number: 13497268

MONA OFFSHORE WIND HOLDINGS LIMITED

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



MONA OFFSHORE WIND HOLDINGS LIMITED

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MONA OFFSHORE WIND HOLDINGS 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 HOLDINGS 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 Holdings 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 a holding company for investment in Mona Offshore Wind Limited which 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 commenced and continued to provide funding to its wholly owned subsidiary Mona Offshore Wind Limited by subscribing to its shares. Mona Offshore Wind Limited is engaged in the development and construction of an offshore wind farm off the coast of North Wales in the Irish Sea (the project).

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 to continue holding investments and provide funding to its wholly owned subsidiary Mona Offshore Wind Limited for it to progress development and subsequent construction of the wind farm project.

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.

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 cash flow risk as the company receives financial support from its parent undertakings to meet its commitments. Management monitors funding and liquidity and ensures the availability of required liquidity through cash management. It is company's policy to ensure adequate liquidity to satisfy its obligations.

MONA OFFSHORE WIND HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2022

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. Given the company's current activities, there is no significant exposure to credit risk.

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 Holdings 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 pages 2-3.

Directors

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

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)
D T Anderson	(appointed 6 July 2021 and resigned 5 August 2021)
F Arbelaez	(appointed 5 August 2021 and resigned 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.

MONA OFFSHORE WIND HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Post balance sheet events

On 6 January 2023, the Company subscribed to 287,500,000 ordinary shares of £1 each in Mona Offshore Wind Limited for cash consideration of £287,500,000.

On 6 January 2023, 287,500,000 ordinary shares of £1 each for a total nominal value of £287,000,000 were allotted equally between bp Alternative Energy Investments Limited and EnBW Energie Baden-Württemberg AG (the parent companies) at par value.

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 confirm 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.

Independent 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 companies 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

Director

Date: April 5, 2023

DocuSigned by:
Erin Eisenberg
553A4859F88A4F7

M Fischer

Director

Date: April 5, 2023

DocuSigned by:
M Fischer
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MONA OFFSHORE WIND HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES OF MONA OFFSHORE WIND HOLDINGS 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 HOLDINGS LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF MONA OFFSHORE WIND HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Mona Offshore Wind Holdings 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 profit 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 18.

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 HOLDINGS LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF MONA OFFSHORE WIND HOLDINGS 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.

MONA OFFSHORE WIND HOLDINGS LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF MONA OFFSHORE WIND HOLDINGS LIMITED (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.

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

MONA OFFSHORE WIND HOLDINGS LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF MONA OFFSHORE WIND HOLDINGS LIMITED (continued)

Matters on which we are required to report by exception (continued)

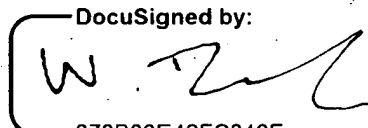
- we have not received all the information and explanations we require for our audit; or
- the directors were entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the 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:



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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 HOLDINGS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022

		Period from date of incorporation on 6 July 2021 to 31 December 2022
	Note	£
Administrative expenses		(108)
Operating loss		(108)
Finance income	6	2,730
Profit before tax		2,622
Tax	7	(498)
Profit for the financial period		2,124

There is no comprehensive income attributable to the shareholders of the company other than the profit for the period and so the relevant sheet has not been prepared.

The profit of £2,124 for the period ended 31 December 2022 was derived in its entirety from continuing operations.

The notes on pages 14 to 24 are an integral part of these financial statements.

MONA OFFSHORE WIND HOLDINGS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £
Non-current assets		
Investments	8	28,102,302
		<u>28,102,302</u>
Current assets		
Cash and cash equivalent	9	2,873
Total current assets		<u>2,873</u>
Total assets		<u>28,105,175</u>
Current liabilities		
Trade and other payables	10	(749)
Total current liabilities		<u>(749)</u>
Total liabilities		<u>(749)</u>
Net assets		<u>28,104,426</u>
Equity		
Share capital	13	28,102,302
Retained earnings		2,124
Total equity		<u>28,104,426</u>

The notes on pages 14 to 24 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 10 to 13 were approved by the board of directors and were signed on its behalf by:

E K Eisenberg

Director

Date: April 5, 2023

DocuSigned by:

Erin Eisenberg
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M Fischer

Director

Date: April 5, 2023

DocuSigned by:

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

	Share capital £	Retained earnings £	Total equity £
<i>Comprehensive income:</i>			
Profit for the financial period	–	2,124	2,124
Total comprehensive income for the financial period		2,124	2,124
Transactions with owners in their capacity as 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	2,124	28,104,426

The notes on pages 14 to 24 are an integral part of these financial statements.

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

		2022
	Note	£
Cash generated from operating activities	15	143
Net cash generated from operating activities		<u>143</u>
Cash flow from investing activities		
Purchase of investments	8	(25,900,002)
Interest received		2,730
Net cash used in investing activity		<u>(25,897,272)</u>
Cash flow from financing activities		
Proceeds from issue of ordinary share capital (net of costs of issue)	13	25,900,002
Cash flows from financing activity		<u>25,900,002</u>
Net increase in cash and cash equivalents		<u>2,873</u>
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		<u>2,873</u>

The notes on pages 14 to 24 are an integral part of these financial statements.

MONA OFFSHORE WIND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 General information

The financial statements of Mona Offshore Wind Holdings 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 Holdings Limited (Registered number: 13497268) 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 address of its registered office is Chertsey Road, Sunbury On Thames, Middlesex, TW16 7BP, United Kingdom.

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 Holdings 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 pages 2-3.

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.

The company has taken the exemption to prepare group accounts on the basis that they qualify as a small group.

MONA OFFSHORE WIND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2022

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 directors do 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.

MONA OFFSHORE WIND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2022

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.

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 statement of profit or loss except where deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income within interest receivable and similar income or interest payable and similar expenses.

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, 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.

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

2.6 Taxation (continued)

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.7 Investments

i. Investment in subsidiary company

Fixed asset investments in subsidiaries are held at cost. The company assesses investments for an impairment indicator annually. If any such indication of possible impairment exists, the company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Where these circumstances have reversed, the impairment previously made is reversed to the extent of the original cost of the investment.

Management judgement is required to determine whether an indicator of potential impairment exists in relation to the company's investments. No such indicators have been identified during the current year and therefore no impairment test has needed to be performed. Accordingly, the recoverable amount of the investment has not needed to be estimated, nor any assumptions made, and no sensitivity analysis has been required. Details of the carrying value of the investments are provided in Note 8.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash at bank.

2.9 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below.

Financial assets and financial liabilities are initially measured at fair value.

MONA OFFSHORE WIND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2022

2.9 Financial instruments (continued)

Financial assets

Financial assets are recognized 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.

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

Cash and cash equivalents include cash at bank.

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 recognized amounts; and the Company intends to either settle on a net basis or realize 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.

MONA OFFSHORE WIND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2022

2.10 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. There were no judgements that had a significant effect on the amounts recognised in the financial statements.

4 Auditors' remuneration

	2022
	£
Fees payable to the Company's auditors and its associates for the audit of the Company's financial statements	15,000
	15,000

The audit fees were borne by another group company.

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
	£
Bank interest received	2,730
Total interest income on financial assets not measured at fair value through profit or loss	2,730

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

7 Tax

(a) Analysis of charge in the period

	2022
	£
Current tax:	
UK corporation tax on profits for the period	498
Current tax charge	498
Tax on profit	498

(b) Factors affecting the tax charge for the period

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

	2022
	£
Profit before tax	2,622
Profit before tax multiplied by UK weighted average rate of tax of 19%	498
Total tax charge	498

(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.

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

8 Investments

	Investments in subsidiaries £
Cost	
Additions	28,102,302
At 31 December 2022	28,102,302
Accumulated impairment	
At 31 December 2022	-
Net book value	
At 31 December 2022	28,102,302

The list of subsidiaries and other related undertakings is as follows:

Subsidiaries

Name	Registered office	Class of shares	Holding	Principal activity
Mona Offshore Wind Limited	Chertsey Road Sunbury On Thames Middlesex TW16 7BP United Kingdom	Ordinary	100%	Development and construction of offshore wind farm.

9 Cash and cash equivalents

	2022 £
Cash at bank	2,873

10 Trade and other payables

	2022 £
Amounts owed to subsidiary undertakings	251
Corporation tax	498
	749

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

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

11 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	2,873
	2,873
Financial liabilities at amortised cost:	
Trade and other payables	(749)
	(749)

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	749	749	749			
	749	749	749	-	-	-

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 monies on deposit with financial institutions.

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

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

11 Financial instruments (continued)

	2022
	£
Financial assets at amortised cost:	
Cash and cash equivalents	2,873
	<u>2,873</u>

12 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.

13 Called up share capital

	2022
	£
Allotted and fully paid	
28,102,302 ordinary shares of £1.00 each	28,102,302
	<u>28,102,302</u>

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

14 Reserves

Retained earnings

The balance held on this reserve is the retained profits of the company.

Share capital

The balance on the called up share capital account represents the aggregate nominal value of all ordinary shares in issue.

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

15 Net cash generated from operating activities

	2022
	£
Profit before tax	2,622
Interest receivable and similar income	(2,730)
Increase in trade and other payables	251
Net cash generated from operating activities	143

16 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 Limited	
Expenses recharged in	251
Amount owed to subsidiary at 31 December 2022	251

17 Post balance sheet events

On 6 January, the Company subscribed to 287,500,000 ordinary shares of £1 each in Mona Offshore Wind Limited for cash consideration of £287,500,000.

On 6 January 2023, 287,500,000 ordinary shares of £1 each for a total nominal value of £287,000,000 were allotted equally between bp Alternative Energy Investments Limited and EnBW Energie Baden-Württemberg AG (the parent companies) at par value.

18 Controlling party

Both the immediate and 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 9376131 Karlsruhe, Germany, respectively.

There is no one ultimate controlling party.