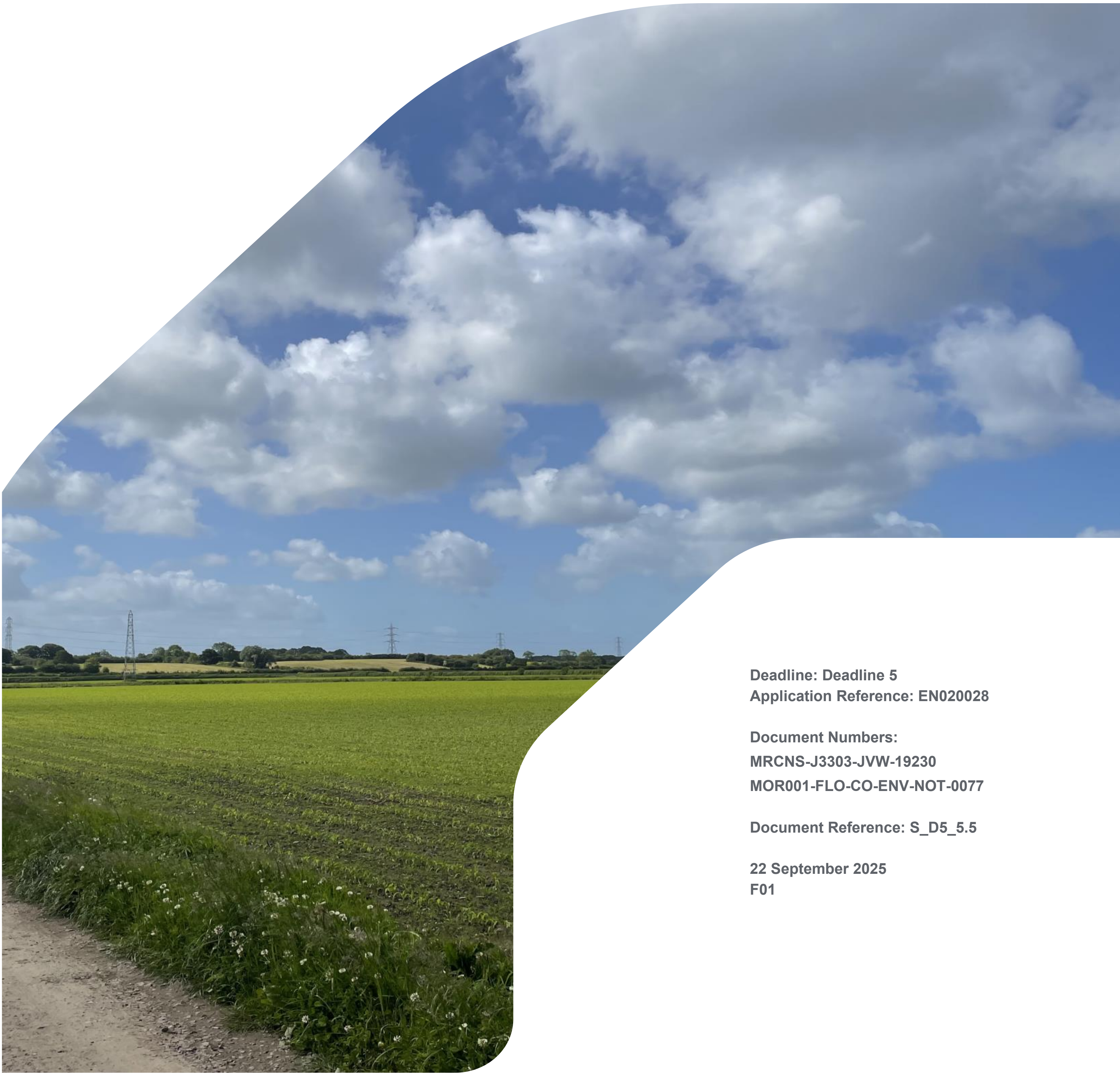
MORGAN AND MORECAMBE OFFSHORE WIND FARMS: TRANSMISSION ASSETS

Annex 5.5 to Applicants response to ExQ2 5.1.14: Morgan accounts



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Prepared by:

Morgan Offshore Wind Limited

Prepared for:

Morgan Offshore Wind Limited, Morecambe Offshore Windfarm Ltd

Registered number: 13497271

MORGAN OFFSHORE WIND LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

MORGAN OFFSHORE WIND LIMITED

CONTENTS

MORGAN OFFSHORE WIND LIMITED
COMPANY INFORMATION

Directors

[redacted]

Registered number

13497271

Company secretary

Petershill Secretaries Limited

Registered office

Chertsey Road
Sunbury On Thames
Middlesex
TW16 7BP
United Kingdom

Independent auditor

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

MORGAN OFFSHORE WIND LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their directors' report and the audited financial statements for Morgan Offshore Wind Limited (the 'Company') for the year ended 31 December 2024.

Principal activity

The Company is engaged in the development, construction and future operations of an offshore wind farm off the coast of North Wales in the Irish Sea.

Business review

The Company continued with the development activities to further develop the offshore wind project's technical design. These activities included geophysical and geotechnical surveys, environmental impact assessments, engineering studies and public consultations.

The Company reached a key milestone in the year having submitted the Development Consent Order ('DCO') applications to the Planning Inspectorate, with the applications currently undergoing examination before decision from the Secretary of State.

During the year, the Company also signed a Bilateral Connection Agreement with the National Energy System Operator ('NESO') to establish a date for connection to the grid.

The Company also further developed its procurement strategy and is actively engaged with the supply chain.

Dividends

The directors do not recommend the payment of a dividend, and no dividend has been paid or proposed during the year and up to the date of signing the financial statements (2023: £nil).

Future developments

It is the intention of the directors that the Company will continue development, subsequent construction and operations of the offshore wind farm 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. 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.

Principal risk and uncertainties (continued)

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 robust project management policies and procedures; and experienced cross functional teams to manage and track the project progress. The Company is also pursuing an offtake strategy with different options to minimise price uncertainties and is actively engaged with the supply chain to maintain cost competitiveness.

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. Changes to the regulatory environment or taxation, international trade disputes and barriers to free trade, international sanctions, and public health situations may disrupt or curtail Company's activities. These may affect the recoverability of assets, and future earnings and cash flows or cause the Company to incur additional costs, particularly due to the long-term nature of the project and significant capital expenditure.

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.

Regulation

Changes in the fiscal and regulatory 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, liquidity and credit risks.

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.

Financial risk management (continued)

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.

The Company is not significantly exposed to liquidity or cash flow risk as the Company receives financial support from its ultimate parent undertakings. Management monitors funding requirements closely and ensures that the required funds are available when needed, though effective cash management.

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 mainly arises from cash and cash equivalents.

The Company is not significantly exposed to credit risk in the current year because it is not engaged in revenue generating activities at present.

Going concern

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

In assessing whether going concern assumption is appropriate, management has considered the current economic and geopolitical environment; the forecast spend and cash requirements for a period of at least 12 months from the date of approval of these financial statements. As part of the going concern basis of preparation for the Company, the ability and intent of ultimate parent companies, Snowmass Holdings Limited (On 1 May 2025, the shareholding previously held by bp Alternative Energy Investments Limited was transferred to Snowmass Holdings Limited and from this date, Snowmass Holdings Limited has assumed all shareholder rights and obligations) and EnBW Energie Baden-Württemberg AG, to support the Company has been taken into consideration.

In assessing the prospects of the Company, 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, the Company expects that it has adequate resources available to continue its operational existence for at least 12 months from the date of approval of these financial statements, and it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

For further information on financial risk factors, including credit risk and liquidity risk, see pages 3 and 4.

MORGAN OFFSHORE WIND LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

Directors

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

[redacted]
(resigned 13 May 2025)
(appointed 13 May 2025)

(appointed 1 July 2025)
(resigned 10 February 2025)
(appointed 10 February 2025 and resigned 1 July 2025)

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 13 January 2025, 317,500,000 ordinary shares of £1 each for a total nominal value of £317,500,000, were allotted to the immediate parent company at par value.

On 1 May 2025, the shareholding previously held by ultimate parent company bp Alternative Energy Investments Limited was transferred to Snowmass Holdings Limited. From this date, Snowmass Holdings Limited has assumed all shareholder rights and obligations previously held by bp Alternative Energy Investments Limited.

On 30 June 2025, 34,500,000 ordinary shares of £1 each for a total nominal value of £34,500,000, were allotted to the immediate parent company at par value.

Disclosure of information to auditor

The directors who were members of the board at the time of approving the directors' report are listed on page 5. Having made enquiries of fellow directors and of the Company's auditor, each of these directors confirms that:

- so far as the director is aware, 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 ought 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 auditor

The auditor, Deloitte LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

MORGAN OFFSHORE WIND LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

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:

[redacted]

Director
Date: 16-Jul-25 | 6:01 PM CEST

Director
Date: 16-Jul-25 | 8:34 AM PDT

MORGAN OFFSHORE WIND LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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. The financial statements also comply with International Financial Reporting Standards ('IFRSs') as issued by the IASB. 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 the 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 in IFRS Standards 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.

MORGAN OFFSHORE WIND LIMITED

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Morgan Offshore Wind Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards 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 material accounting policy information; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRS Accounting Standards 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 relating 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.

MORGAN OFFSHORE WIND LIMITED

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

Other information

The other information comprises the information included in the annual 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.

MORGAN OFFSHORE WIND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN OFFSHORE WIND 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 framework 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. These included the company's licenses and environmental regulations.

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 described as 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.

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.

MORGAN OFFSHORE WIND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN 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 not entitled to take advantage of the small companies' exemption 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.

[redacted]

Senior Statutory Auditor
For and on behalf of Deloitte LLP
Statutory Auditor
2 New Street Square,
London, United Kingdom,
EC4A 3BZ

Date: 17 July 2025

MORGAN OFFSHORE WIND LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Administrative expenses		(845,504)	(224,837)
Operating loss		**(845,504)**	**(224,837)**
Finance income	6	1,506,599	898,173
Profit before tax		**661,095**	**673,336**
Tax	7	(384,195)	(212,164)
Profit for the financial year		**276,900**	**461,172**

There is no comprehensive income attributable to the shareholders of the Company other than the profit for the year and so no statement of other comprehensive income is presented.

The profit of £276,900 for the year (2023: £461,172) was derived in its entirety from continuing operations.

The notes on pages 16 to 34 are an integral part of these financial statements.

MORGAN OFFSHORE WIND LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Non-current assets			
Tangible assets	8	709,398,867	357,349,418
Right-of-use assets	9	2,240,118	–
Total non-current assets		**711,638,985**	**357,349,418**
Current assets			
Trade and other receivables	10	4,903,883	2,354,828
Cash and cash equivalents	11	14,279,900	19,061,766
Total current assets		**19,183,783**	**21,416,594**
Total assets		**730,822,768**	**378,766,012**
Current liabilities			
Trade and other payables: amounts falling due within one year	12	(17,916,087)	(10,067,938)
Total current liabilities		**(17,916,087)**	**(10,067,938)**
Non-current liabilities			
Trade and other payables: amounts falling due after more than one year	13	(1,722,748)	–
Provisions for liabilities	14	–	(300,000)
Deferred tax liability	15	(8,959)	–
Total non-current liabilities		**(1,731,707)**	**(300,000)**
Total liabilities		**(19,647,794)**	**(10,367,938)**
Net assets		**711,174,974**	**368,398,074**
Equity			
Share capital	17	710,602,302	368,102,302
Retained earnings	18	572,672	295,772
Total equity		**711,174,974**	**368,398,074**

The notes on pages 16 to 34 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 15 were approved by the board of directors and were signed on its [redacted]

Director

Date: 16-Jul-25 | 6:01 PM CEST

Director

Date: 16-Jul-25 | 8:34 AM PDT

MORGAN OFFSHORE WIND LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital £	Retained earnings £	Total equity £
At 1 January 2023	**28,102,302**	**(165,400)**	**27,936,902**
Comprehensive income:			
Profit for the financial year	–	461,172	**461,172**
Total comprehensive income for the financial year	**–**	**461,172**	**461,172**
Transactions with owners:			
Issue of share capital	340,000,000	–	**340,000,000**
Total transactions with owners, recognised directly in equity	340,000,000	–	**340,000,000**
At 31 December 2023 and 1 January 2024	**368,102,302**	**295,772**	**368,398,074**
Comprehensive income:			
Profit for the financial year	–	276,900	**276,900**
Total comprehensive income for the financial year	**–**	**276,900**	**276,900**
Transactions with owners:			
Issue of share capital	342,500,000	**–**	**342,500,000**
Total transactions with owners, recognised directly in equity	342,500,000	–	**342,500,000**
At 31 December 2024	**710,602,302**	**572,672**	**711,174,974**

The notes on pages 16 to 34 are an integral part of these financial statements.

MORGAN OFFSHORE WIND LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Cash used in operating activities	19	**(3,409,716)**	**(1,837,890)**
Income taxes paid		(365,636)	(14,996)
Net cash used in operating activities		**(3,775,352)**	**(1,852,886)**
Cash flow from investing activities			
Purchase of tangible assets		(345,011,938)	(89,096,328)
Interest received		1,505,424	898,173
Net cash used in investing activities		**(343,506,514)**	**(88,198,155)**
Cash flow from financing activities			
Proceeds from issue of ordinary share capital	17	342,500,000	109,000,000
Net cash generated from financing activities		**342,500,000**	**109,000,000**
Net (decrease)/increase in cash and cash equivalents		**(4,781,866)**	**18,948,959**
Cash and cash equivalents at the beginning of the year		19,061,766	112,807
Cash and cash equivalents at the end of the year		**14,279,900**	**19,061,766**

The notes on pages 16 to 34 are an integral part of these financial statements.

MORGAN OFFSHORE WIND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1 General information

The financial statements of Morgan Offshore Wind Limited for the year ended 31 December 2024 were approved by the board of directors on 16 July 2025 and the balance sheet was signed on the board's behalf by I Exarchou and M Fischer.

Morgan Offshore Wind Limited (Registered number: 13497271) 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 a 1,500 MW 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.

In assessing whether going concern assumption is appropriate, management has considered the current economic and geopolitical environment; the forecast spend and cash requirements for a period of at least 12 months from the date of approval of these financial statements. As part of the going concern basis of preparation for the Company, the ability and intent of ultimate parent companies, Snowmass Holdings Limited (On 1 May 2025, the shareholding previously held by bp Alternative Energy Investments Limited was transferred to Snowmass Holdings Limited and from this date, Snowmass Holdings Limited has assumed all shareholder rights and obligations) and EnBW Energie Baden-Württemberg AG, to support the Company has been taken into consideration.

In assessing the prospects of the Company, 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, the Company expects that it has adequate resources available to continue its operational existence for at least 12 months from the date of approval of these financial statements, and it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

For further information on financial risk factors, including credit risk and liquidity risk, see pages 3 and 4.

Morgan Offshore Wind Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2 Principal accounting policies (continued)

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 and with International Financial Reporting Standards as issued by the IASB.

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 year. 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. See note 3 for further details.

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 year that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- Amendments to IAS 1, Presentation of financial statements' on non-current liabilities with covenants.
- Amendment to IAS 7 and IFRS 7 - Supplier finance.
- Amendment to IFRS 16, Lease - Liability in a Sale and Leaseback.

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:

- Amendments to IAS 21 - Lack of Exchangeability (effective 1 January 2025).
- Amendments to the Classification and Measurement of Financial Instruments - amendments to IFRS 9 and IFRS 7 (effective 1 January 2026).
- Annual improvements 2024 (effective 1 January 2026).
- Contracts Referencing Nature - dependent Electricity - amendment to IFRS 9 and IFRS 7.
- IFRS 18, Presentation and disclosure in financial statement' (effective 1 January 2027).
- IFRS 19, Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027).

2 Principal accounting policies (continued)

2.3 New standards, amendments and IFRIC interpretations (continued)

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 years 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 years.

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

Transactions in foreign currencies are initially recorded in the functional currency at the spot exchange rate on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot exchange rate on the balance sheet date. 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 year-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.

2.5 Finance income

Finance 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 Share-based payments

Equity-settled share-based payments to non-employees are measured at the fair value when goods are obtained and services are rendered, to the extent those goods and services are reliably measurable. When goods or services cannot be measured reliably, the Company measures the fair value of goods and services received indirectly with reference to the fair value of the equity instrument granted.

In the year ended 31 December 2023 the Company settled the transfer of the project rights from its ultimate parent companies through the issuance of shares to its immediate parent company Morgan Offshore Wind Holdings Limited. The fair value of project rights was determined to be equal to the original amount paid by the ultimate parent companies and recognised as an addition within tangible assets in the Company's balance sheet, therefore this had no impact on the profit or loss for the year ended 31 December 2023.

MORGAN OFFSHORE WIND LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2 Principal accounting policies (continued)

2.6 Share-based payments (continued)

There were no equity-settled share-based payments during the year.

Further details about the consideration received is available note 17.

2.7 Taxation

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

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 year. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 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.

2.8 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.

2 Principal accounting policies (continued)

2.8 Tangible assets (continued)

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 is included in the profit and loss account in the period in which the item is derecognised.

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the expected useful lives of the tangible asset class, except for where capitalised as development expenditure.

The estimated useful lives are as follows:

Windfarm assets - 25 - 56 years
Office building - 5 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.

Impairment of tangible assets

At the end of each reporting year, the Company reviews the carrying value of its tangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. 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.

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 using a pre-tax discount rate that reflects current market assessments of the time value of money.

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. Any impairment loss is immediately recognised in the statement of profit or loss.

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 Principal accounting policies (continued)

2.9 Assets under construction

Assets under construction relate to items that are tangible assets in nature but are not yet complete and 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 assets and depreciation is then applied.

At any stage of activity in the 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 to the statement of profit or loss.

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.

2.10 Leases

Agreements that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases. The right to control is conveyed if the Company has both the right to obtain substantially all of the economic benefits from, and the right to direct the use of, the identified asset throughout the period of use. An asset is identified if it is explicitly or implicitly specified by the agreement and any substitution rights held by the lessor over the asset are not considered substantive. Agreements may include both lease and non-lease components.

A lease liability is recognised on the balance sheet on the lease commencement date at the present value of future lease payments over the lease term. The discount rate applied is the rate implicit in the lease if readily determinable, otherwise an incremental borrowing rate is used. For the lease in the Company, there is not sufficient information available to readily determine the rate implicit in the lease, and therefore the incremental borrowing rate is used. The incremental borrowing rate is determined based on factors such as the Company's cost of borrowing, lessee legal entity credit risk, currency and lease term. The lease term is the non-cancellable period of a lease together with any periods covered by an extension option that the Company is reasonably certain to exercise, or periods covered by a termination option that the Company is reasonably certain not to exercise. The future lease payments included in the present value calculation are any fixed payments, payments that vary depending on an index or rate, payments due for the reasonably certain exercise of options and expected residual value guarantee payments.

Repayments of principal are presented as financing cash flows and payments of interest are presented as operating cash flows. Payments that vary based on factors other than an index or a rate such as usage, are not included in the present value calculation and are recognised in the statement of profit or loss and presented as operating cash flows. The lease liability is recognised on an amortised cost basis with interest expense recognised in the statement of profit or loss over the lease term, except for where capitalised as development expenditure.

2 Principal accounting policies (continued)

2.10 Leases (continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the year.

The leased assets are recognised on the balance sheet as right-of-use assets at a value equivalent to the initial measurement of the lease liability adjusted for lease prepayments, lease incentives, initial direct costs and any restoration obligations. Right-of-use assets are depreciated on a straight-line basis over the lease term. The depreciation charge is recognised in the statement of profit or loss except for where capitalised as development expenditure. Right-of-use assets are assessed for impairment in line with the accounting policy for impairment of tangible assets.

There are no short term leases (of less than 12 months duration) to recognise.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and cash held in third party intermediary client accounts. Intermediaries handle funds on behalf of the Company, facilitating transactions that might otherwise be delayed or complicated. The funds held in these third-party accounts are still considered part of the Company's cash and cash equivalents, as the Company retains full access and control over these resources.

2.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2 Principal accounting policies (continued)

2.13 Financial instruments

Financial assets

Financial assets are recognised initially at fair value through profit or loss, 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 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 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.

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 the statement of profit or loss when the assets are derecognised or impaired and when interest is recognised using the effective interest method. Trade receivables are recognised at transaction costs, less provision for bad debts, as they are typically settled within less than one year. Hence, the Company presumes that the trade receivable balance does not have a significant financing component.

The Company's financial assets measured at amortised cost in the balance sheet comprise of trade and other receivables and cash and cash equivalents.

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.

2 Principal accounting policies (continued)

2.13 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 recognised in profit or loss. 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 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.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity.

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 as expenses during the year and for a period of at least 12 months from the date of approval of these financial statements. 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 assets under construction in the Company's balance sheet.

4 Auditor's remuneration

	2024 £	2023 £
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	40,155	39,520
	40,155	**39,520**

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 (2023: £nil).

No directors received contributions from the Company into a personal pension scheme for individual employees (2023: £nil).

(b) Employee costs

The Company had no employees during the year (2023: none).

6 Finance income

	2024 £	2023 £
Interest income on bank deposit	1,473,745	810,700
Other interest received	32,854	87,473
	1,506,599	**898,173**

7 Tax

(a) Analysis of charge in the year

	2024 £	2023 £
Current tax:		
UK corporation tax on profits for the year	375,236	212,587
Adjustments in respect of prior periods	–	(423)
Current tax charge	**375,236**	**212,164**
Deferred tax:		
Origination and reversal of timing differences	**8,959**	–
Deferred tax charge	**8,959**	–
Tax on profit	**384,195**	**212,164**

MORGAN OFFSHORE WIND LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

7 Tax (continued)

(b) Factors affecting the tax charge for the year

The tax assessed for the year is higher than (2023: higher than) the standard rate of corporation tax in the UK of 25% (2023: weighted average rate of 23.52%). The differences are explained below:

	2024 £	2023 £
Profit before tax	661,095	673,336
Profit before tax multiplied by standard rate of corporation tax in the UK of 25% (2023: weighted average rate of 23.52%)	165,274	158,369
Effects of:		
Amounts not recognised in respect of pre-trading expenditure	218,921	54,218
Adjustments in respect of prior year	–	(423)
Total tax charge	**384,195**	**212,164**

8 Tangible assets

	Assets under construction £
Cost	
At 1 January 2024	357,349,418
Additions	352,049,449
At 31 December 2024	**709,398,867**
Net book value	
At 31 December 2024	**709,398,867**
At 31 December 2023	357,349,418

Assets under construction are held at cost until such time that they are made available for use and are therefore not subject to depreciation at this time.

9 Leases

(i) Amounts recognised in the balance sheet

	2024 £	2023 £
Right-of-use assets		
Office building	**2,240,118**	–

	2024 £	2023 £
Lease liabilities		
Current	397,385	–
Non-current	1,722,748	–
	2,120,133	–

Additions to the right-of-use assets during the financial year were £2,352,052 (2023: £nil)

(ii) Amounts recognised in the statement of profit or loss:

Right-of-use assets	2024 £	2023 £
Depreciation charge of right-of-use assets	119,869	–
Capitalised as development expenditure	(119,869)	–
	–	–
Interest expense on lease liabilities	35,834	–
Capitalised as development expenditure	(35,834)	–
	–	–

(iii) Future minimum finance lease payments are as follows:

	2024 £	2023 £
Within 1 year	534,936	–
1 to 2 years	545,476	–
2 to 3 years	556,385	–
3 to 4 years	567,675	–
4 to 5 years	283,535	–
Impact of discounting	(367,874)	–
Lease liabilities at 31 December	**2,120,133**	–

The total cash outflow for leases in 2024 was £267,754 (2023: £nil).

There is an option to terminate the contract after 3 years, however the Company has no intention of actioning this option.

MORGAN OFFSHORE WIND LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

10 Trade and other receivables

	2024 £	2023 £
Amounts falling due within one year		
Trade debtors	1,128,898	292,634
Amounts owed by group undertakings	–	30,600
Other debtors - VAT receivable	2,932,876	1,468,493
Other debtors	842,109	563,101
	4,903,883	**2,354,828**

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

11 Cash and cash equivalents

	2024 £	2023 £
Cash at bank	**14,279,900**	**19,061,766**

12 Trade and other payables: amounts falling due within one year

	2024 £	2023 £
Trade creditors	5,611,242	3,951,837
Amounts owed to group undertakings	2,904,948	1,994,595
Lease liabilities (note 9)	397,385	–
Corporation tax	223,348	212,573
Accruals and deferred income	8,779,164	3,908,933
	17,916,087	**10,067,938**

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

13 Trade and other payables: amounts falling due after more than one year

	2024 £	2023 £
Lease liabilities (note 9)	**1,722,748**	–

MORGAN OFFSHORE WIND LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

14 Provisions for liabilities

	Total £
At 1 January 2024	300,000
Utilised during the year	(300,000)
At 31 December 2024	**–**

The provision of £300,000 was settled in full during 2024 and no provisions are required as at 31 December 2024.

15 Deferred taxation

The deferred taxation included in the statement of financial position is as follows:

	2024 £	2023 £
At 1 January	–	–
Deferred tax charge to the statement of profit or loss	8,959	–
At 31 December	**8,959**	**–**

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2024 £	2023 £
Fixed assets	**8,959**	**–**

At 31 December 2024, the main rate of corporate tax applying to the profits of the Company was 25% (2023: weighted average rate of 23.52%). In the spring Budget 2021, 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. Therefore, the corporation tax rate applied to profits of the Company is a blended rate of the 19% to 31 March 2023 and 25% from 1 April 2023. Deferred taxes at the balance sheet date have been measured using the enacted tax rate of 25% and reflected in these financial statements.

At the year end, the Company has an unrecognised deferred tax asset of £333,757 (2023: £114,836) in relation to trading losses. The related deferred tax asset has not been recognised due to uncertainty over the availability of future taxable profits.

MORGAN OFFSHORE WIND LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

16 Financial instruments

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

	2024 £	2023 £
Financial assets at amortised cost:		
Cash and cash equivalents	14,279,900	19,061,766
Trade and other receivables	4,903,883	2,354,828
	19,183,783	**21,416,594**
Financial liabilities at amortised cost:		
Trade and other payables	10,859,671	6,159,005
	10,859,671	**6,159,005**

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 2024.

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:

2024 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	10,859,671	10,859,671	9,136,923	437,334	1,285,414	–
	10,859,671	**10,859,671**	**9,136,923**	**437,334**	**1,285,414**	**–**

2023 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	6,159,005	6,159,005	6,159,005	–	–	–
	6,159,005	**6,159,005**	**6,159,005**	**–**	**–**	**–**

16 Financial instruments (continued)

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.

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

	2024	2023
	£	£
Financial assets at amortised cost:		
Cash and cash equivalents	14,279,900	19,061,766
Trade and other receivables	4,903,883	2,354,828
	19,183,783	**21,416,594**

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. Please refer to note 21 for details of capital commitments at 31 December 2024.

17 Share capital

	2024	2023
	£	£
Authorised, issued and fully paid		
710,602,302 (2023: 368,102,302) ordinary shares of £1.00 each	710,602,302	368,102,302
	710,602,302	**368,102,302**

During the year, a total of 342,500,000 (2023: 340,000,000) ordinary shares of £1 each were authorised to the parent company at par value. Out of these:

- 342,500,000 shares (2023: 109,000,000) were settled in cash for a nominal value of £342,500,000 (2023: £109,000,000); and
- No shares (2023: 231,000,000) were settled as a consideration for the transfer of project rights to the value of £nil (2023: £231,000,000).

18 Reserves

Retained earnings

The balance held on this reserve is the accumulated 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.

19 Net cash used in operating activities

	2024	2023
	£	£
Profit before tax	661,095	673,336
Interest receivable and similar income	(1,505,424)	(898,173)
Movement in provision	(300,000)	300,000
Increase in trade and other receivables	(2,549,055)	(1,893,760)
Increase/(decrease) in trade and other payables	283,668	(19,293)
Net cash used in operating activities	**(3,409,716)**	**(1,837,890)**

MORGAN OFFSHORE WIND LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

20 Related party transactions

Key management personnel

During the year, key management personnel of the Company received total remuneration of £nil (2023: £nil).

Other related party transactions

	2024	2023
	£	£
Morgan Offshore Wind Holding Limited		
Expenses recharged out	–	30,600
Amount owed by immediate parent as at 31 December	–	30,600
Morven Offshore Wind Limited		
Expenses recharged out	–	5,640
Amount owed by related party as at 31 December	–	–
Mona Offshore Wind Limited		
Expenses recharged in	**182,102**	1,523
Amount owed to related party as at 31 December	**182,102**	–
BP Alternative Energy Investments Limited		
Expenses recharged in	**6,840,447**	119,819,767
Amount owed to ultimate parent as at 31 December	**1,711,687**	1,164,559
EnBW Energie Baden-Württemberg AG		
Expenses recharged in	**3,493,600**	119,380,873
Amount owed to ultimate parent as at 31 December	**342,486**	413,856
BP International Limited		
Expenses recharged in	**466,005**	585,880
Amount owed to related party as at 31 December	**77,619**	150,142
EnBW Generation UK Limited		
Expenses recharged in	**3,385,141**	1,055,446
Amount owed to related party as at 31 December	**591,054**	266,038

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.

Related party transactions are conducted on terms equivalent to those prevailing in arm's length transactions and are only entered into when such terms can be substantiated.

21 Capital and other commitments

At 31 December 2024, the Company had the following capital commitments:

	2024 £	2023 £
Contracts for future capital expenditure not provided in the financial statements	**32,777,664**	**18,281,819**

22 Post balance sheet events

On 13 January 2025, 317,500,000 ordinary shares of £1 each for a total nominal value of £317,500,000, were allotted to the immediate parent company at par value.

On 1 May 2025, the shareholding previously held by ultimate parent company bp Alternative Energy Investments Limited was transferred to Snowmass Holdings Limited. From this date, Snowmass Holdings Limited has assumed all shareholder rights and obligations previously held by bp Alternative Energy Investments Limited.

On 30 June 2025, 34,500,000 ordinary shares of £1 each for a total nominal value of £34,500,000, were allotted to the immediate parent company at par value.

23 Controlling party

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

The ultimate parent companies are Snowmass Holdings 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.