



MORGAN AND MORECAMBE OFFSHORE WIND FARMS: TRANSMISSION ASSETS

Annex 5.4 to Applicants response to ExQ2 5.1.14: Morecambe accounts



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Prepared by:

Morecambe Offshore Windfarm Ltd

Prepared for:

Morgan Offshore Wind Limited,
Morecambe Offshore Windfarm Ltd

Company No: SC734062 (Scotland)

**MORECAMBE OFFSHORE WINDFARM LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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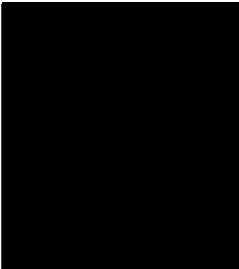
MORECAMBE OFFSHORE WINDFARM LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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MORECAMBE OFFSHORE WINDFARM LTD
COMPANY INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

DIRECTORS

ointed 06 January 2023)
ointed 06 January 2023)
ppointed 06 January 2023)
(Appointed 06 January 2023)
ointed 06 January 2023)
nted 06 January 2023)

REGISTERED OFFICE

C/O Flotation Energy Limited
Hobart House
80 Hanover Street
Edinburgh
EH2 1EL
United Kingdom

COMPANY NUMBER

SC734062 (Scotland)

AUDITOR

Johnston Carmichael LLP
Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

MORECAMBE OFFSHORE WINDFARM LTD
DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

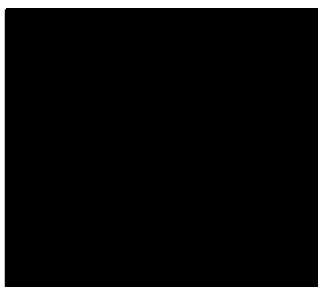
The directors present their annual report and the audited financial statements of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The company was previously dormant, however began trading in the current year. The company's principal activity is the development and operation of offshore wind projects in the UK.

DIRECTORS

The directors, who served during the financial year and to the date of this report except as noted, were as follows:



(Appointed 06 January 2023)
(Appointed 06 January 2023)
(Appointed 06 January 2023)
(Appointed 06 January 2023)
(Appointed 06 January 2023)
(Appointed 06 January 2023)

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

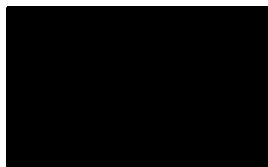
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

MORECAMBE OFFSHORE WINDFARM LTD
DIRECTORS' REPORT (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption provided by section 415A of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf by:



C/O Flotation Energy Limited
Hobart House
80 Hanover Street
Edinburgh
EH2 1EL
United Kingdom

Date: 03/02/2025

MORECAMBE OFFSHORE WINDFARM LTD
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 financial period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for 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. The directors 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MORECAMBE OFFSHORE WINDFARM LTD
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Morecambe Offshore Wind Ltd ('the Company') for the year ended 31 December 2023, which comprise the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its result for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

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.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MORECAMBE OFFSHORE WINDFARM LTD (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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.

Opinion 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.

Matters on which we are required to report by exception

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.
- The directors were not 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MORECAMBE OFFSHORE WINDFARM LTD (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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: <http://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 assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- Companies Act 2006;
- UK Tax legislation; and
- UK Generally Accepted Accounting Practice.

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns, external inspections, relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. We identified a heightened fraud risk in relation to:

- Management override of controls

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MORECAMBE OFFSHORE WINDFARM LTD (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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


In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Making enquiries of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the Company's procurement of legal and professional services;
- Performing audit procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and assessing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.



Stephen McIlwaine (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP
Statutory Auditor

Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

Date: **3 February 2025**

MORECAMBE OFFSHORE WINDFARM LTD
PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Company received no income and incurred no expenditure in either the current or preceding financial years, hence no profit and loss account is presented.

MORECAMBE OFFSHORE WINDFARM LTD

**BALANCE SHEET
AS AT 31 DECEMBER 2023**

	Note	31.12.2023	31.12.2022
		£	£
Fixed assets			
Intangible assets	3	52,414,307	-
		<u>52,414,307</u>	<u>-</u>
Current assets			
Debtors	4	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
Creditors: amounts falling due within one year	5	(52,414,307)	-
Net current (liabilities)/assets		<u>(52,413,307)</u>	<u>1,000</u>
Total assets less current liabilities		<u>1,000</u>	<u>1,000</u>
Net assets		<u>1,000</u>	<u>1,000</u>
Capital and reserves			
Called-up share capital	6	1,000	1,000
Total shareholder's funds		<u>1,000</u>	<u>1,000</u>

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

The financial statements of Morecambe Offshore Windfarm Ltd (registered number: SC734062) were approved and authorised for issue by the Board of Directors on _____ 03/01/23 _____.
They were signed on its behalf by:



MORECAMBE OFFSHORE WINDFARM LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial period, unless otherwise stated.

General information and basis of accounting

Morecambe Offshore Windfarm Ltd (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is C/O Flotation Energy Limited, Hobart House, 80 Hanover Street, Edinburgh, EH2 1EL, United Kingdom.

The financial statements have been prepared under the historical cost convention, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

Intangible assets

Expenditure on development activities is capitalised as intangible assets if the project is considered to be technically and commercially feasible and the company intends to complete the project for use or for sale. Development projects consist of offshore wind farm developments. Costs incurred in bringing these projects to the consent stage include planning, environmental, and other costs, including costs incurred during the bidding and consenting phase.

Other intangible assets	not amortised
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Impairment of assets

At each reporting end date, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

MORECAMBE OFFSHORE WINDFARM LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Basic financial assets

Basic financial assets, which include debtors and amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

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

Financial liabilities measured at amortised cost:

Financial liabilities measured at amortised cost, including amounts owed to group undertakings and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

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

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Significant Judgements

Capitalisation of internally generated development costs

Accounting judgement is required in determining whether expenditure relating to the development of a project constitutes an intangible asset, i.e., it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably; or if this expenditure pertains to a research phase of the project and therefore should be expensed. The company has processes and controls to evaluate the classification of such expenditure. £106,875,004 (2022: £nil) of development costs were capitalised during the year. This includes costs incurred in the bidding and consent phases of projects, where the directors have assessed that a successful outcome is probable.

2. Employees

	Year ended 31.12.2023	Period from 30.05.2022 to 31.12.2022
	Number	Number
Monthly average number of persons employed by the Company during the year	-	-

The directors received no emoluments for qualifying services related to the Company in the year or prior period.

MORECAMBE OFFSHORE WINDFARM LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Intangible assets

	Other intangible assets £	Total £
Cost/Valuation		
At 01 January 2023	-	-
Additions	52,414,307	52,414,307
At 31 December 2023	52,414,307	52,414,307
Accumulated amortisation		
At 01 January 2023	-	-
At 31 December 2023	-	-
Net book value		
At 31 December 2023	52,414,307	52,414,307
At 31 December 2022	-	-

4. Debtors

	31.12.2023 £	31.12.2022 £
Amounts owed by Group undertakings	1,000	1,000

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

5. Creditors: amounts falling due within one year

	31.12.2023 £	31.12.2022 £
Trade creditors	10,813	-
Amounts owed to Group undertakings	52,403,494	-
	52,414,307	-

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

6. Called-up share capital

	31.12.2023 £	31.12.2022 £
Allotted, called-up and fully-paid		
1,000 Ordinary shares of £1.00 each	1,000	1,000

MORECAMBE OFFSHORE WINDFARM LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. Related party transactions

The company has taken advantage of the exemptions available to those subsidiaries that are wholly owned under FRS 102. Accordingly, disclosure is not made of any related party transactions with the fellow wholly owned subsidiary.

8. Ultimate controlling party

The immediate parent company is Morecambe Offshore Wind Holdco Ltd. The parent of the smallest group for which consolidated accounts are drawn up of which the company is a member of is Vinci S.A. The financial statements of Vinci S.A. can be obtained from its registered address, 1973 Boulevard de la Défense 92500 Nanterre, France.