Registration number: 07294645

Seagreen Holdco 1 Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2023

Seagreen Holdco 1 Limited

Contents

Seagreen Holdco 1 Limited

Company Information

Directors	Paul Gerald Cooley Olivier Terneaud Silke Ehrhart Phillipe Marie Francois De Cacqueray Valmenier Barry O'Regan Steven Wilson (appointed 18 April 2023) Finlay Alexander Mccutcheon (resigned 18 April 2023)
Company secretary	Bernard Michael O'Connor (appointed 24 August 2023) Alice Margaret Leggat (resigned 24 August 2023)
Registered office	No.1 Forbury Place 43 Forbury Road Reading United Kingdom RG1 3JH
Bankers	MuFG Bank, Ltd 25 Ropemaker Street London EC2Y 9AJ Bank of New York, Mellon 1 Canada Square London E14 5AL
Auditors	Ernst & Young LLP G1 Building, 5 George Square Glasgow G2 1DY

Seagreen Holdco 1 Limited

Strategic Report for the Year Ended 31 March 2023

The directors present their report and audited financial statements of Seagreen Holdco 1 Limited for the year ended 31 March 2023.

This Strategic Report has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006. Its purpose is to inform shareholders and help them assess how the directors have performaned their duty to promote the success of Seagreen Holdco 1 Limited and its subsidiaries.

The Business Performance Overview sets out the main trends and factors underlying the development and performance of Seagreen Holdco 1 Limited (the "Company") and its subsidiaries (together the "Group") during the year ended 31 March 2023, as well as those matters which are likely to affect its future development and performance.

Principal activity

The principal activity of the Group is engaged in the construction of 114 10MW offshore turbines in the firth of forth, located 27km from the Angus coastline. Once fully constructed and operational the Seagreen project will be Scotland's largest and deepest offshore windfarm.

The Group is a joint venture between SSE Renewables Services (UK) Limited (49%) and TotalEnergies (51%).

Business review

Fair review of the business

During the period ended 31 March 2023 the following key milestones were achieved:

• June 2022 - installation of onshore cable with 117 individual cables installed and connected along the onshore cable route.
• July 2022 Onshore substation - circuit 1 commissioning completed and energised.
• August 2022 Offshore substation - circuit 1 commissioning completed and energised.
• August 2022 - First power generation was achieved from the first of 114 offshore wind turbines from the offshore windfarm site.
• August 2022 - Fabrication of the final 20 jackets completed.
• September 2022 - over 50 foundation jackets installed.
• October 2022 - Turbines installed reached halfway mark
• November 2022 - Balance of Plant (BoP) statutory inspections contract awarded.
• December 2022 - Port of Nigg awarded pre-assembly work for wind turbine components.
• February 2023 - Final 8 foundation jackets loaded onto barges at Port of Nigg for installation.

Following the balance sheet date, the 114th jacket foundation was installed in April 2023 and the final wind turbine was installed in June 2023. In October 2023 SWEL achieved Commercial Operations Date (COD) following all 114 turbines being fully commissioned.

During the year, the Group entered into a 15-year Affiliate Contract for Difference ("ACfD") agreement with SSE Generation Limited a wholly owned subsidiary of SSE Plc, The contract is for 51.1% of the output of units 1 and 6 (estimated at 1.5TWh per annum). The contract was not active at 31 March 2023 and is expected to commence between Q3/Q4 of FY23/24.

The group's key financial and other performance indicators during the year were as follows:

	Unit	2023	2022
Revenue	£m	95.2	-
Gross profit	£m	74.0	-
Operating profit/(loss)	£m	53.1	(0.1)
Capital expenditure	£m	923.2	1,146.7
Total Assets	£m	3,506.2	2,543.2

Business priorities for 2023/24 and beyond:
The priorities of the Group are to:

- Complete the construction phase of the windfarm;
- Complete commissioning of the remaining 66 offshore wind turbines;
- Enter the full operations phase of the windfarm;
- Once fully operational, ensure the generation assets are available to respond to customer demand, market conditions and meet contractual obligations; and
- Comply fully with all safety standards and environmental requirements.

Section 172(1) Statement
Section 172 of the Companies Act 2006 requires a director of a Group to act in the way he or she considers, in good faith, would most likely promote the success of the Group for the benefit of its members as a whole. In furtherance of this, section 172 requires a director to have regard amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the Group's employees;
- need to foster the Group's business relationships with suppliers, customers and others;
- impact of the Group's operations on the community and environment;
- desirability of the Group maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Group.

In discharging their section 172 duties, the Directors of the Group, have regard to the factors set out above. They also have regard to other factors which they consider relevant to the decision being made. Those factors including the regulatory and legal obligations of the Group in the operation and future decommissioning of an offshore windfarm.

The Directors acknowledge that every decision taken will not necessarily result in a positive outcome for all of the Group's stakeholders. However, by considering the Group's purpose, vision and values, together with its strategic priorities, and having agreed processes in place for decision-making, they do aim to ensure that decisions are consistent and appropriate in all circumstances.

The Board reviews health and safety, financial and operational performance and legal and regulatory compliance in addition to other pertinent areas over the course of the financial year, including: the Group's business strategy; key risks; stakeholder-related matters; diversity and inclusion; environmental matters; corporate responsibility; governance, compliance and legal matters. This is done through the consideration and discussion of reports which are sent in advance of each meeting and through presentations to the Board.

Principal risks and uncertainties

The Group's principal activity is to construct and operate an offshore wind farm site with a maximum consented capacity of 1.5 GW. Development activities are capitalised as intangibles with construction activities capitalised as assets under construction as they meet the criteria of the appropriate accounting standard.
On achieving financial close intangible development expenditure was transferred to asset under construction.

Construction Contracts
Following the year end and achievement of Financial Close the Group has put in place engineering, procurement, construction and installation (EPCI) contracts for the key project packages; electrical substructures, marine installation and wind turbines. Such executed contracts comprise;
• Delivery of onshore substation, grid connection, OSP topside and foundation signed with Petrofac Facilities Management Limited
• Delivery of onshore and offshore export cables signed with Nexans Norway A/S
• Delivery of marine inter array cables and foundations signed with Subsea 7 Limited
• Delivery of wind turbines signed with MHI Vestas Offshore Wind UK Limited

Hedges
The Group's activities expose it to a variety of financial risks:
• funding and liquidity risk
• foreign exchange risk
• cash flow interest risk
• credit risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse affects on the Group's performance. The Group uses derivative financial instruments to hedge certain risk exposures. The group's exposure to market and liquidity risk has been hedged at the date of the financial close with foreign currencies relating to construction contracts hedged along with the execution of interest rate swaps.

Advisors
The relevant advisors have been enagaged to support the requirements of having secured external financial from lenders.

Reporting
Robust monthly reporting processes, to both the Board of Directors and Shareholders, has been implemented providing updates on safety, construction, process and expenditure.

Approved by the Board on 19 January 2024 and signed on its behalf by:

Steven Wilson (Jan 19, 2024 12:58 GMT)
....
Steven Wilson

Director

Seagreen Holdco 1 Limited

Directors' Report for the Year Ended 31 March 2023

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

Reporting requirements on the Group's principal activities, its principal risks and uncertainties and its key performance indicators can be found in the Strategic Report on page 2.

Directors of the Group
The directors and secretary who served during the year are as listed on page 1. In accordance with the Articles of Association of the Company the directors are not required to retire by rotation

Proposed Dividend
The directors do not recommend the payment of a dividend (2022: £nil).

Price Risk
The Group has entered into contractual arrangements to limit price risk including long term power purchase agreements (PPA) and through securing an Investment CfD. The investment CfD is due to commence in 2026. The Group has also entered into an affiliate CfD with SSE Generation limited to hedge against revenue risk.

Credit Risk
The Group's policy to manage credit risk is to perform credit risk assessments for the counterparties for the Group's revenue contracts, external lenders and significant suppliers. The credit risk assessments involve qualitative and quantitative criteria and include the independent ratings of credit agencies where available.

Liqudity and cash flow risk
Liquidity risk derives from the risk the Group will not be able to meet its financial obligations as they become due. The Group reviews short-term liquidity daily and has entered into appropriate long term financing agreements with external lenders. The Group is exposed to cash flow risk through the impact of changes in future interest risk rates on the Group's floating debt facilities. The Group's policy to manage this risk was the Financial Close in June 2020 to enter into interest rate swaps for the majority of floating debt facilities. The Mezzanine facility remain floats all generation and transmission facilities have been hedged through interest rate swaps.

Political donations
The Group made no charitable or political donation during the year (2022: £nil).

Future developments
The Group is constructing 114 offshore wind turbines with capacity of 10MW, per turbine, with the main focus being the continued fabrication and installation of offshore components and progressing to full operations.

Disclosure of information to the auditor
The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

The financial statements have been prepared on a going concern basis, which assumes adequate resources will be available until 31 December 2024, being the period of the going concern assessment period. In performing the going concern assessment Directors have considered the funding requirements from the balance sheet position date to construction completion along with both cash flow forecasts and financial performance forecasts, including covenant compliance sensitivities to 31 December 2024. The Group is at a stage of change where the construction phase of the project is reaching completion and the windfarms site will be entering the full operational stage. As such, the Directors have also assessed sensitivity to the future cashflows and have concluded the Group has sufficient headroom. Sensitivities include increase to capex costs, revenue price volatility and volume volatility. Capex requirements will continue to be funded through pre completion revenues and committed shareholder funding with operational costs covered by operational revenue inflows. Capex requirements that fall due in the operational period are being supported by guarantee from shareholders. Taking this into consideration, the Directors have concluded that Seagreen will have sufficient cash available to meet liabilities as they fall due, including the remaining construction funding requirements required for the project to reach the commercial operations date (COD) and beyond. In assessing the availability of headroom for the Group, the Directors have considered the Group's committed financing repayments and obligations under it's debt convenants. There have been no breaches of covenants in the year and the Group's projections support the expectation that there will be no breach of covenants over the going concern period to 31 December 2024. Based on this assessment the Directors have concluded that the Group has sufficient resources to continue as a going concern and the financial statements have therefore been prepared on a going concern basis.

Reappointment of auditors

In accordance with Section 487(2) of the Companies Act 2006, the directors have confirmed that Ernst and Young LLP will be re-appointed External Auditor for the Company for the year ending 31 March 2024, subject to approval by shareholders at the forthcoming Board of Directors meeting.

Environmental report

In the period to 31 March 2023 the company exceed the turnover and balance sheet threshold requirements for Streamlined Energy and Carbon Reporting (SECR). SECR is required for UK companies which meet at least two of the following thresholds. Turnover exceeding £36.0m or, balance sheet total £18.0m or more and/or 250 employees or more.

Emissions and energy consumption

Summary of greenhouse gas emissions and energy consumption for the year ended 31 March 2023:

Name and description	Unit of measurement	2023
Operational vehicles	kWh	4,600.1
Electricity used in buildings	kWh	172,000.0
Company mileage	kWh	47,201.4
Total renewable generation output	GWh	345.3

Summary of scope 1 (direct) greenhouse gas emissions for the year ended 31 March 2023:

Name and description	Metric and / or KPI	Unit of measurement	2023
Operational vehicle		tCO2e	1.2

Summary of scope 2 (indirect) greenhouse gas emissions for the year ended 31 March 2023:

Name and description	Metric and / or KPI	Unit of measurement	2023
Electricity used in buildings		tCO2e	31.4

Summary of scope 3 (other indirect) greenhouse gas emissions for the year ended 31 March 2023:

Name and description	Metric and / or KPI	Unit of measurement	2023
Company Mileage		tCO2e	11.8

Intensity ratio

The carbon intensity ratio (tCO2e per MWh of electricity generated) during the year ended 31 March 2023 was 0.0001 tCO2e/MWh.

Offshore waste

The below table shows the Group's total quantities of offshore operations and maintenance (O&M) waste for the period 27 January 2023 to 31 March 2023 as this is when the O&M waste stream began and an O&M contractor was enageged.

January 2023 -March 2023

Type of waste	Weight (Tonnes)	Disposal Method
General Waste	0.215	Waste to Energy
Oily Rags	0.385	Waste to Energy
Plastic Drum	0.072	Recycling
Waste Oil	0.614	Recycling
Dry Mixed Recycling	0.270	Recycling
Scrap Metal	0.240	Recycling
Waste Electrical	0.800	Recycling
Total	**2.6**	

77% of waste recycled and 100% of waste diverted from landfill.

The below table shows the Group's total quantities of onshore waste for the year ended 31 March 2023. These figures include operations waste as well as some construction waste originating from the warehouse and crew transfer vessels (CTVs) and operational waste originating from the O&M base.

April 2022 - March 2023

Type of Waste	Weight (Tonnes)
General Waste	1.3
Mixed Recycling	2.6
Total	**3.6**

65% of onshore waste diverted from landfill.

Materials and resource efficiency

Seagreen O&M Base

The operations building was repurposed from a two-story modular office block that was previously used by an oil and gas supply chain company in Aberdeen. In recycling the building, the Group have been able to contribute towards the circular economy, reusing over 54 tonnes of steel and saving 99 tonnes of CO2. Ensuring that local and regional based companies are used for any construction, where possible, is a key principle for the Group.

Communications mast

Another development at Seagreen that contributed to the circular economy was the recycling of a communications mast by an Aberdeen-based company. The Aberdeen-based company repurposed an existing structure from the Moray East wind farm and had the installation complete at Montrose in August 2021. By recycling the 50m communications mast, the company that recycled the mast were able to reduce their resources by 68% and saw an almost 50% reduction in CO2 emissions compared to manufacturing a new mast from scratch.

SWEL Strategic approach to circularity

SSE Renewables (SSER) is working to transition towards a circular model for the development, operation and decommissioning of its renewable assets, recognizing the range of opportunities which will derive from an economy based on life-extension, reuse and remanufacture. Whilst SSER has achieved some significant progress already, particularly within the management of its onshore fleet, they recognize that there are industry and supply chain barriers to progressing to full circularity in a way that is cost effective, efficient, and resilient. It is widely recognised across the industry that this will not be an instantaneous transition. There remains a lot of uncertainty around how to achieve a circular economy and how to quantify progress in a way that's transparent and accurate. SSER's approach is to set targets on areas they directly control, underpinned by a clear action plan to progress where skills, technology or infrastructure have not matured enough to support their ambitions and the wider industry. However, SSER cannot achieve a transition without clear coordination with our peers, policy makers and suppliers of all sizes. That's why their approach is to focus on collaboration, allowing them to share resources, knowledge, and experience. From their perspective, the only way to unlock an economy based on prevention, reduction and reuse is to facilitate open dialogues and shared commitments with suppliers of all sizes, trade bodies and in some instances other energy developers.

Biodiversity/ecosystems services

Due to the nature of the offshore site, direct enhancement of marine habitats has not been feasible. However, the Company aims to carry out extensive post-construction environmental monitoring. The below table provides a summary of the ongoing and planned seabird and marine mammal monitoring activities.

Monitoring area	**Location**	**Activity**
Omithology	St Abbs and Fowlsheugh	Tagging and colony Monitoring
	Isle of May	Tagging and colony Monitoring
	Bass Rock	Ringing and Tagging
	Grassholm	Ringing
	Seagreen OWF Site	Aerial surveys
	NNG Site	Seabird interactins
Marine Mammals	Seagreen OWF Site	Acoustic monitoring data collection and analysis
	Forth & Tay area	Bottlenose Dolphin Photo ID

Base year
The data for the year ended 31 March 2023 represents the group's first disclosure under the SECR requirements and will be used as the base year to track performance and trends in future periods.

Energy efficiency action
The windfarm Operations and Maintenance base has been recently constructed and as such uses energy efficient materials to achieve modern standards of thermal performance.

Methodology
GHG sources included:

The Group has collated its GHG emissions in line with the BEIS Environmental Reporting Guidelines, GHG Protocol and ISO140644-1-2006 standards. GHG emissions are classified in accordance with these standards. Direct GHG emissions (scope 1) included GHG emissions from sources that are owned or controlled by the group.

Indirect GHG emissions (scope 2) include GHG emissions from the generation of purchased electricity, heat and steam consumed by the Group.

Where data was collected in units other than kWh, the BEIS 'Greenhouse gas reporting: conversion factors 2023' were used to convert to kWh in order to calculate the Group's total energy use. BEIS conversion factors were also used to calculate the GHG emissions associated with this energy usage.

Carbon intensity ratio
The most appropriate business metric for the Group is the output from its electricity generation activities (MWh). To calculate an intensity ratio, the Groups scope 1 and 2 emissions in addition to emissions associated with company mileage have been divided by its electricity generation output.

Approved by the Board on 19 January 2024 and signed on its behalf by:

Steven Wilson (Jan 19, 2024 12:58 GMT)
....
Steven Wilson
Director

Seagreen Holdco 1 Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 and IFRS's adopted pursuant to Regulation(EC) No 1606/2002 as it applies in the UK. 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant and reliable;
- 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 IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance; and
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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 such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and Directors' Report that complies with that law and those regulations.

Approved by the Board on 19 January 2024 and signed on its behalf by:

Steven Wilson (Jan 19, 2024 12:58 GMT)

Steven Wilson

Director

Opinion

We have audited the financial statements of Seagreen Holdco 1 Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Statement of Cash Flows and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards;
- the parent company financial statements have been properly prepared in accordance with International Financial Reporting Standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 group and parent company's ability to continue as a going concern for a period to 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

Other information (continued)

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, 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 group's and the parent 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 group or the parent 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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEAGREEN HOLDCO 1 LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards and Companies Act 2006) and relevant tax compliance regulations in the UK.

- We understood how Seagreen Holdco 1 Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We verified our enquiries through our review of board minutes and papers provided to the joint venture board.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence on efforts made by management to manage earnings. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address the identified fraud risk, management override of controls.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business, enquiries of legal counsel and management and focused tested. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements and accounts with all applicable requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

DS

Ernst & Young LLP.

Nicola McIntyre (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

G1 Building
5 George Square
Glasgow
G2 1DY
23 January 2024

Seagreen Holdco 1 Limited

Consolidated Income Statement for the Year Ended 31 March 2023

	Note	2023 £ m	2022 £ m
Revenue	8	95.2	-
Cost of sales		(21.2)	-
Gross profit		74.0	-
Administrative expenses		(4.2)	(0.1)
Depreciation		(16.7)	-
Operating profit/(loss)	5	53.1	(0.1)
Finance costs	6	(42.7)	-
Profit/(loss) before tax		10.4	(0.1)
Income tax Receipt	11	1.1	0.8
Profit for the year		11.5	0.7
Profit attributable to:			
Owners of the company		11.5	0.7

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own income statement and related notes.

The notes on pages 24 to 52 form an integral part of these financial statements.

Seagreen Holdco 1 Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2023

	Note	2023 £ m	2022 £ m
Profit for the year		11.5	0.7
Taxation on cashflow hedge			
Gain on effective portion of cash flow hedges		127.3	137.2
Taxation on cashflow hedges		(68.8)	(15.6)
		58.5	121.6
Total comprehensive income for the year		70.0	122.3
Total comprehensive income attributable to:			
Owners of the company		70.0	122.3

The notes on pages 24 to 52 form an integral part of these financial statements.

Seagreen Holdco 1 Limited

(Registration number: 07294645)
Consolidated Statement of Financial Position as at 31 March 2023

	Note	2023 £ m	(As restated) 2022 £ m
Assets			
Non-current assets			
Property, plant and equipment	12	3,111.8	2,205.3
Right of use assets	13	97.6	134.3
Derivative financial assets	20	155.4	101.5
Deferred tax assets	11	-	20.9
		3,364.8	2,462.0
Current assets			
Trade and other receivables	15	22.3	7.5
Cash and cash equivalents	16	87.8	73.7
Derivative financial assets	20	31.3	-
		141.4	81.2
Total assets		3,506.2	2,543.2
Equity and liabilities			
Equity			
Share capital	19	(211.6)	-
Cash flow hedge reserve		(141.9)	(83.4)
Retained earnings		(10.8)	0.7
Deficit attributable to owners of the company		(364.3)	(82.7)
Non-current liabilities			
Long term lease liabilities	18	(93.8)	(130.5)
Loans and borrowings	18	(2,773.4)	(2,126.1)
Provisions	23	(105.3)	(23.4)
Deferred tax liabilities	11	(46.4)	-
Derivative financial liabilities	20	(21.9)	-
		(3,040.8)	(2,280.0)
Current liabilities			
Trade and other payables	17	(75.9)	(161.2)
Loans and borrowings	18	(25.0)	(6.2)
Derivative financial liabilities	20	(0.2)	(13.1)
		(101.1)	(180.5)
Total liabilities		(3,141.9)	(2,460.5)
Total equity and liabilities		(3,506.2)	(2,543.2)

The notes on pages 24 to 52 form an integral part of these financial statements.

Seagreen Holdco 1 Limited

(Registration number: 07294645)
Consolidated Statement of Financial Position as at 31 March 2023 (continued)

Approved by the Board on 19 January 2024 and signed on its behalf by:

Steven Wilson (Jan 19, 2024 12:58 GMT)

....

Steven Wilson

Director

Seagreen Holdco 1 Limited

(Registration number: 07294645)
Statement of Financial Position as at 31 March 2023

	Note	2023 £ m	(As restated) 2022 £ m
Assets			
Non-current assets			
Investments in subsidiaries, joint ventures and associates	14	229.4	132.2
Amounts owed from subsidiaries		1,559.8	869.5
Deferred tax assets	11	2.2	2.2
		1,791.4	1,003.9
Current assets			
Cash and cash equivalents	16	1.4	-
Total assets		1,792.8	1,003.9
Equity and liabilities			
Equity			
Share capital	19	(211.6)	-
Retained earnings		(62.3)	(19.3)
Total equity		(273.9)	(19.3)
Non-current liabilities			
Loans and borrowings	18	(1,518.7)	(984.6)
Current liabilities			
Trade and other payables	17	(0.2)	-
Total liabilities		(1,518.9)	(984.6)
Total equity and liabilities		(1,792.8)	(1,003.9)

Approved by the Board on 19 January 2024 and signed on its behalf by:

Steven Wilson (Jan 19, 2024 12:58 GMT) ....

Steven Wilson

Director

Seagreen Holdco 1 Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2023

	Share capital £ m	**Cash flow hedging reserve £ m**	**Retained earnings £ m**	**Total £ m**
At 1 April 2021	-	(38.2)	(1.4)	(39.6)
Profit for the year	-	-	0.7	0.7
Other comprehensive income	-	121.6	-	121.6
Total comprehensive income	-	121.6	0.7	122.3
At 31 March 2022	-	83.4	(0.7)	82.7

	Share capital £ m	**Cash flow hedging reserve £ m**	**Retained earnings £ m**	**Total £ m**
At 1 April 2022	-	83.4	(0.7)	82.7
Profit for the year	-	-	11.5	11.5
Other comprehensive income	-	58.5	-	58.5
Total comprehensive income	-	58.5	10.8	69.3
New share capital subscribed	211.6	-	-	211.6
At 31 March 2023	211.6	141.9	10.8	364.3

Seagreen Holdco 1 Limited

Statement of Changes in Equity for the Year Ended 31 March 2023

	Share capital £ m	Retained earnings £ m	Total £ m
At 1 April 2021	-	(0.4)	(0.4)
Profit for the year	-	19.7	19.7
At 31 March 2022	-	19.3	19.3

	Share capital £ m	Retained earnings £ m	Total £ m
At 1 April 2022	-	19.3	19.3
Profit for the year	-	43.0	43.0
New share capital subscribed	211.6	-	211.6
At 31 March 2023	211.6	62.3	273.9

The notes on pages 24 to 52 form an integral part of these financial statements.

Seagreen Holdco 1 Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £ m	2022 £ m
Cash flows from operating activities			
Profit for the year		11.5	0.7
Adjustments to cash flows from non-cash items			
Depreciation charge	12	16.7	-
Finance costs	6	42.7	-
Income tax expense	11	(1.1)	(0.8)
		69.8	(0.1)
Working capital adjustments			
Increase in trade and other receivables		(14.8)	(0.5)
(Decrease)/increase in trade and other payables		(85.3)	12.9
Net cash flow from operating activities		(30.3)	12.3
Cash flows from investing activities			
Cash receipts from repayment of loans, classified as investing activities		(833.3)	(1,091.9)
Cash flows from financing activities			
Proceeds from debt draw downs		666.1	1,110.6
Payments to finance lease creditors		-	(7.2)
Proceeds from shares issued during the year		211.6	-
Net cash flows from financing activities		877.7	1,103.4
Net increase in cash and cash equivalents		14.1	23.8
Cash and cash equivalents at 1 April		73.7	49.9
Cash and cash equivalents at 31 March		87.8	73.7

Seagreen Holdco 1 Limited

Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £ m	2022 £ m
Cash flows from operating activities			
Profit for the year		43.0	19.7
Adjustments to cash flows from non-cash items			
Income tax expense	11	-	(2.1)
		43.0	17.6
Working capital adjustments			
Increase/(decrease) in trade and other payables	17	0.2	(7.7)
Net cash flow from operating activities		43.2	9.9
Cash flows from investing activities			
Acquisitions of share capital in existing subsidiaries		(97.2)	(131.0)
Advances of loans	18	534.1	(862.1)
Net cash flows from investing activities		436.9	(993.1)
Cash flows from financing activities			
Proceeds from other borrowing draw downs		(690.3)	983.2
Share capital issued		211.6	-
Net cash flows from financing activities		(478.7)	983.2
Net increase in cash and cash equivalents		1.4	-
Cash and cash equivalents at 1 April		-	-
Cash and cash equivalents at 31 March		1.4	-

The notes on pages 24 to 52 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:
No.1 Forbury Place
43 Forbury Road
Reading
United Kingdom
RG1 3JH

2 Accounting policies

Statement of compliance
The group financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the EU ("adopted IFRS's").

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
The financial statements have been prepared in accordance with UK-adopted international accounting standards ("IFRS") and under historical cost accounting rules other than derivative financial instruments which are stated at fair value.

The preparation of financial statements in conformity with UK-adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. Further detail on critical accounting estimates is included within note 3 of the financial statements.

The financial statements are prepared in sterling, which is the functional currency of the group.
Monetary amounts in these financial statements are rounded to the nearest £m, previously to the nearest £000.

New standards, amendments and interpretations adopted by the Group
None of the standards, interpretations and amendments effective for the first time from 1 April 2022 have had a material effect on the financial statements.

New standards and interpretations issued, but not yet adopted by the Group
There are no standards, amendments to standards or interpretations relevant to the company's operations which are anticipated to have a material impact on the group's operations which are anticipated to have a material impact on the groups's financial statements, which are issued but not yet effective at 31 March 2023.

2 Accounting policies (continued)

Going concern
The financial statements have been prepared on a going concern basis, which assumes adequate resources will be available until 31 December 2024, being the period of the going concern assessment period. In performing the going concern assessment Directors have considered the funding requirements from the balance sheet position date to construction completion along with both cash flow forecasts and financial performance forecasts, including covenant compliance sensitivities to 31 December 2024. The Group is at a stage of change where the construction phase of the project is reaching completion and the windfarms site will be entering the full operational stage. As such, the Directors have also assessed sensitivity to the future cashflows and have concluded the Group has sufficient headroom. Sensitivities include increase to capex costs, revenue price volatility and volume volatility. Capex requirements will continue to be funded through pre completion revenues and committed shareholder funding with operational costs covered by operational revenue inflows. Capex requirements that fall due in the operational period are being supported by guarantee from shareholders. Taking this into consideration, the Directors have concluded that Seagreen will have sufficient cash available to meet liabilities as they fall due, including the remaining construction funding requirements required for the project to reach the commercial operations date (COD) and beyond. In assessing the availability of headroom for the Group, the Directors have considered the Group's committed financing repayments and obligations under it's debt convenants. There have been no breaches of covenants in the year and the Group's projections support the expectation that there will be no breach of covenants over the going concern period to 31 December 2024. Based on this assessment the Directors have concluded that the Group has sufficient resources to continue as a going concern and the financial statements have therefore been prepared on a going concern basis.

Basis of consolidation
The group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March 2023.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

2 Accounting policies (continued)

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Revenue recognition

Revenue from contracts with customers is recognised to the extent that it reflects the expected consideration for goods or services provided to the customer under contract, over the performance obligations they are being provided. For each separable performance obligation identified, the Group determines whether it is satisfied at a "point in time" or "over time" based upon an evaluation of the receipt and consumption of benefits, control of assets and enforceable payment rights associated with that obligation. If the criteria required for "over time" recognition are not met, the performance obligation is deemed to be satisfied at a "point in time".

Revenue arises as a result of the Group's activities in energy production in Great Britain.

Electricity generation

Revenue from the physical generation of electricity is recognised at a "point in time" as generated and supplied to customers under Power Purchase Agreements (PPA).

Revenue from other ancillary generation services is recognised "over time" consistent with the customer receiving and consuming the benefits of those services across the expected contractual service period, and at the contracted consideration.

Finance income and costs

Interest income and costs are recognised in the income statement as they accrue, on an effective interest method. The issue costs and interest payable on bonds and all other interest payable and receivable is reflected in the income statement on the same basis.

Interest on the funding attributable to major capital projects is capitalised during the period of construction and depreciated as part of the total cost over the useful life of the asset.

Foreign currency transactions and balances

The financial statements are shown in pounds sterling, the functional currency of the company.

Any contracts executed in foreign currency are translated to pounds sterling.

Monetary assets and/or liabilities denominated in foreign currency are translated at the balance sheet date, or where appropriate, the rates achieved from forward exchange contracts.

Tax

Taxation on the profit for the year comprises current and deferred tax. Taxation is recognised in the income statement unless it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

2 Accounting policies (continued)

Deferred tax is calculated using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities other than in business combinations that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset where there is a legally enforceable right of offset within the same tax authority and where the Group intends to either settle them on a net basis, or to realise the asset and settle the liability simultaneously. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairments. The cost of self-constructed assets includes the cost of materials, direct labour and other directly attributable costs. Where the asset is a qualifying asset, for which a considerable period of time is required to prepare the asset for use or sale, borrowing costs will be capitalised as part of the asset's cost. Where an item of property, plant and equipment comprises major components having different useful lives, the components are accounted for as separate items of property, plant and equipment, and depreciated accordingly. An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Depreciation

Depreciation is charged to the income statement to write off cost, less residual values, on a straight line basis over their estimated useful lives. Depreciation policy, useful lives and residual values are reviewed at least annually, for all asset classes to ensure that the current method is the most appropriate. Depreciation commences following the asset commissioning period and when the asset is available for commercial operation.

	Depreciation method and rate
Renewable Generation	30 years

Subsequent expenditure

It is the Group policy to capitalise qualifying replacement expenditure and depreciate it over the expected useful life of the replaced asset. Replaced assets are derecognised at this point and the costs recorded as costs of disposal. Where an item of property, plant and equipment is replaced and it is not practicable to determine the carrying amount of the replaced part, the cost of the replacement adjusted for inflation will be used as an approximation of the cost of the replaced part at the time it was acquired or constructed.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits of the item of property, plant and equipment to which it relates. Maintenance and repair costs are expensed as incurred.

2 Accounting policies (continued)

Derecognition
An item of property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount of the asset and are included in the income statement. Any gain or loss on derecognition of the asset is included in the income statement in the period of derecognition.

Research and development
Expenditure on research activities is charged to the income statement as incurred.

Expenditure on development activities is capitalised as intangible assets if the project or process is considered to be technically and commercially feasible and the company intends to complete the project or process for use or for sale. Development projects include wind farm developments, thermal generation and gas storage projects, prospective gas production assets and other developments relating to proven technologies. Costs incurred in bringing these projects to the consent stage include options over land rights, planning application costs and environmental impact studies and may be costs incurred directly or part of the fair value exercise on acquisition of an interest in a project. At the point that the project reaches the consent stage and is approved by the Board, the carrying value of the project is transferred to property, plant and equipment as assets under construction. Once in operation, depreciation will be charged over the expected useful life of the asset. The asset is derecognised on disposal, or when no future economic benefits are expected to arise.

Investments
Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Decommissioning
The estimated cost of decommissioning at the end of the useful lives of certain assets is reviewed periodically. Provision is made for the net present value of the estimated cost of decommissioning facilities at the end of the producing lives of offshore wind farms and power stations at the end of the useful life of the facilities. The estimates are based on technology and prices at the balance sheet date and excludes any salvage value related to those assets. A corresponding decommissioning asset is recognised and is included within property, plant and equipment when the provision gives access to future economic benefits. Changes in these provisions are recognised prospectively. The unwinding of the discount on the provision is included in finance costs and the depreciation for the asset is straight-line over the expected useful life of the asset or, for gas production facilities, is amortised on the unit of production method. Decommissioning provisions are recognised on commencement of offshore infrastructure installation. As at 31 March 2023 a decommissioning provision was required and a provision based on the number of installed jacket foundations at the reporting date has been recognised.

2 Accounting policies (continued)

Financial instruments

Initial recognition

The Group uses a range of financial instruments to hedge exposures to financial risks, such as interest rate, foreign exchange and energy price fluctuations in its normal course of business and in accordance with the Group's risk management policies.

The Group's review of the IFRS 9 hedge accounting model concluded that whilst adoption would not change the treatment of existing hedging arrangements, the changes made would not result in any additional hedge designations either. As such, the existing hedge accounting model under IAS 39 appropriately reflects our risk management activities in the financial statements. Therefore, as permitted by IFRS 9, the Group has elected to continue to apply the hedge accounting requirements of IAS 39. This policy choice will be periodically reviewed to consider any changes in our risk management activities.

Derivative financial instruments

Financial derivative instruments are used by the Group to hedge interest rate and currency exposures. All such derivatives are recognised at fair value and are re-measured to fair value each reporting period. Certain derivative financial instruments are designated as being held for hedging purposes. The designation of the hedge relationship is established at the inception of the hedge and procedures are applied to ensure the derivative is highly effective in achieving its objective and that the effectiveness of the hedge can be reliably measured. The treatment of gains and losses on re-measurement is dependent on the classification of the hedge and whether the hedge relationship is designated as either a 'fair value' or 'cash flow' hedge. Derivatives that are not designated as hedges are treated as if held for trading, with all fair value movements being recorded through the income statement.

A derivative classified as a 'fair value' hedge recognises gains and losses from re-measurement immediately in the income statement. Loans and borrowings are measured at cost except where they form the underlying transaction in an effective fair value hedge relationship. In such cases, the carrying value of the loan or borrowing is adjusted to reflect fair value movements with the gain or loss being reported in the income statement.

A derivative classified as a 'cash flow' hedge recognises the portion of gains or losses on the derivative which are deemed to be effective directly in equity in the hedge reserve. Any ineffective portion of the gains or losses is recognised in the consolidated income statement. When hedged cash flows result in the recognition of a non-financial asset or liability, the associated gains or losses previously recognised in equity are included in the initial measurement of the asset or liability. For all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the income statement in the same period in which the hedged cash flows affect the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At the point of discontinuation, any cumulative gain or loss on the hedging instrument recognised in equity remains in equity until the forecast transaction affects profit or loss. On settlement, the cumulative gain or loss recognised in equity is recognised in the income statement.

2 Accounting policies (continued)

Derivative financial instruments
Affiliate CfD arrangements, where there is no relationship with a government entity, are classified as derivative financial instruments and are measured at fair value on initial recognition. Where unobservable market data or inputs are significant in determining the fair value at inception of the contract, the initial gain or loss at inception is not recognised in the income statement immediately but is deferred and recognised over the life of the instrument. At each balance sheet date the fair value of the derivative financial instrument is assessed with any movement in fair value recognised in the income statement in the period it arises.

Net investment hedges
Hedges of net investments in foreign operations are accounted in a manner similar to effective cash flow hedges. Any gain or loss on the effective portion of the hedge is recognised in equity, in the translation reserve, and any gain or loss on the ineffective portion of the hedge is recognised in the income statement. On disposal of the foreign operation, the cumulative value of any gains or losses recognised directly in equity is transferred to the income statement.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade receivables
Trade receivables do not carry any interest and are measured at cost less an appropriate allowance for lifetime expected credit losses.

Interest-bearing loans and borrowings
All such loans and borrowings are initially recognised at fair value including transaction costs and are subsequently measured at amortised cost, except where the loan or borrowing is the hedged item in an effective fair value hedge relationship.

Share capital
Ordinary shares are accounted for as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received. Own equity instruments that are reacquired are deducted from equity. No gain or loss is recognised in the Group Income Statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised as non-current assets of the group at the lower of their fair value at the date of commencement of the lease and at the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance costs in the income statement and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

It should be noted that the impact of variation in some assumptions, judgements and estimates can have a particularly material impact on the reported results. These include, but are not limited to:

Decomissioning costs - Key sources of estimation uncertainty

The estimated costs of decomissioning at the end of the useful life of the wind farm is reviewed periodically. Provision is made for the estimated discounted cost of decommissioning at the balance sheet date.

Critical judgements

There are no critical judgements to disclose.

4 Prior period adjustment

During the current year a prior year error was identified that requires an adjustment in line with IAS 8. IAS 8 requires an entity to correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery.

In prior years the group recognised capitalised arrangement fees on loan balances as a deferred cost within non current assets. However, paragraph 5.1.1 of IFRS 9 requires such transaction costs to be included in the initial measurement of the debt liabilities. Therefore, to comply with the standard the group is required to recognise the upfront fees on a net basis with the related debt balances.

A prior period adjustment has therefore been included to reclassify the prior period deferred cost asset of £39.8m for the group and £22.7m for the company, from non current assets to loans and borrowings within liabilities. The adjustment has no impact, on the income statement and has a net effect of £nil on net assets and is a balance sheet reclassification only.

Within the current and future years, upfront fees are included in loans and borrowings and will not be disclosed separately.

Group	**Originally reported**	**Adjusted**	**Restated**
	2022		**2022**
Statement of Financial Position			
Deferred costs	39.8	(39.8)	-
Loans and borrowings: Amounts falling due within one year	(9.1)	2.9	(6.2)
Loans and borrowings: Amounts falling outwith one year	(2,163.0)	36.9	(2,126.1)

Company	**Originally reported**	**Adjusted**	**Restated**
	2022		**2022**
Statement of Financial Position			
Deferred costs	22.7	(22.7)	-
Loans and borrowings: Amounts falling outwith one year	(1,007.1)	22.7	(984.6)

5 Operating profit/(loss) Arrived at after charging

	2023	**2022**
	£ m	**£ m**
Other operating expenses	20.9	0.1

Other operating expenses is made up of £4.2m in administration expenses and £16.7m of depreciation charges.

6 Finance costs

	2023 £ m	2022 £ m
Interest on bank overdrafts and borrowings	(20.8)	-
Net changes in fair value of cash flow hedges transferred from equity	(21.9)	-
Total finance costs	(42.7)	-

Foreign exchange has been offset against the cashflow hedge reserve.

7 Auditors' remuneration

During the period £56,980 has been accrued for the auditors expenses of which £11,880 relates to the company.

8 Revenue

The Group's revenue is derived from the sale of renewable energy, sold under a PPA, to SSE Energy Supply Limited and Statkraft Markets GmbH. The Group has an investment CfD with thc Low Carbon Contracts Company Ltd that is due to commence in 2026. The Group's revenue arises in the United Kingdom.

The Investment CfD, secured in 2019, is set at £41.61 per Megawatt hour in 2012 prices. The PPA is linked to market prices and if market prices are below the level set out in the Investment Contract, the Company receives compensation, over and above the PPA. If market prices rise above the level in the Investment Contract, then the Company pays the differential. No revenue in the period relates to the investment CfD as the contract has not commenced.

The analysis of the group's revenue for the year from continuing operations is as follows:

	2023 £ m	2022 £ m
Sale of renewable energy	92.3	-
Other revenue	2.9	-
	95.2	-

9 Staff costs

The Group and the Company, itself, had no employees in the current and prior period.

10 Directors' remuneration

The directors did not receive remuneration in respect of their services to the Group and the Company during the current or prior period. Directors were remunerated via another Group company in the year. A value of services to the Group for these directors cannot be determined.

11 Income tax

The tax on profit/(loss) before tax for the year is the same as the standard rate of corporation tax in the UK (2022 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%). From 1 April 2023 the corporation tax rate will increase to 25%. On 17 November 2022, the UK Government announced an electricity generator levy which is intended to be effective from 1 January 2023. Draft legislation has currently not been published to allow the company to allow to assess the potential impact

Future forecasts support the recognition of deferred tax asset.

Group

Tax (charged) in the income statement

	2023 £ m	2022 £ m
Deferred taxation		
Arising from origination and reversal of temporary differences	(1.1)	(0.8)

Arising from origination and reversal of temporary differences	(3.6)	-
Adjustments in respect of prior periods	4.7	-
Impact of change in deferred tax rate	-	(0.3)
Recognition of previously unrecognised deferred tax	-	1.1
Total tax credit	1.1	0.8

The differences reconciled below:

	31 March 2023 £m	31 March 2022 £m
Profit before tax	10.4	(0.1)
At UK tax rate of 19% (2021: 19%)	(2.0)	-
Effects of:		
Expenses not deductable for tax purposes	(1.2)	-
Adjustments in respect of prior periods	4.7	-
Difference between deferred tax and corporation tax rates	(0.4)	-
Recognition of previously unrecognsed deferred tax	-	1.1
Impact of change on deferred tax rate	-	(0.2)
Total tax credit for the year	1.1	0.8

11 Income tax (continued)

Deferred taxation - Group

	2023	2022
	£m	£m
Deferred tax (liabilities)/assets		
Provision at start of period	20.9	4.5
Deferred tax charge to the income statement for the period	(68.8)	15.6
Current year movement - derivatives recognised in equity	1.1	0.8
(Liability)/Asset at end of period	(46.4)	20.9

Company

	2023	2022
	£m	£m
Deferred taxation		
Arising from origination and reversal of temporary differences	-	(2.2)
Arising from origination and reversal of temporary differences	-	2.1
Recognition of previously unrecognised deferred tax	-	0.1
Total tax credit	-	2.2

The differences reconciled below:

	31 March 2023	31 March 2022
	£m	£m
Profit before tax	43.0	17.6
At UK tax rate of 19% (2022: 19%)	(8.2)	(3.3)
Deferred tax not recognised:		
Difference between deferred tax and corporatation tax rates	-	0.5
Loss surrendered	8.2	4.9
Recognition of previously unrecognised deferred tax	-	0.1
Total tax credit	-	2.2

11 Income tax (continued)

Deferred taxation - Company

	2023 £m	2022 £m
Provision at start of period	2.2	-
Deferred tax charge to the income statement for the period	-	2.2
Asset at end of period	2.2	2.2

12 Property, plant and equipment

Group

	Land £ m	Assets under construction £ m	Renewable Generation £ m	Total £ m
Cost or valuation				
At 1 April 2021	1.9	1,056.7	-	1,058.6
Additions	-	1,146.7	-	1,146.7
At 31 March 2022	1.9	2,203.4	-	2,205.3
At 1 April 2022	1.9	2,203.4	-	2,205.3
Additions	-	923.2	-	923.2
Transfers		(1,060.6)	1,060.6	-
At 31 March 2023	1.9	2,066.0	1,060.6	3,128.5
Depreciation				
Charge for the year	-	-	16.7	16.7
At 31 March 2023	-	-	16.7	16.7
Carrying amount				
At 31 March 2023	1.9	2,066.0	1,043.9	3,111.8
At 31 March 2022	1.9	2,203.4	-	2,205.3

As assets became operational throughout the year, following first power generation, costs associated with operational assets were transferred from Assets Under Construction to Renewable Generation and began to be depreciated inline with the accounting policy.

Land is not depreciated and the depreciation charge relates to Renewable Generation assets only.

13 Right of use assets

Company

The company has the following right of use assets:

	2023	2022
Cost or valuation	**£m**	**£m**
Cost at 1 April	134.3	-
(Reduction)/Additions	(35.7)	136.1
Depreciation	(1.0)	(1.8)
Carrying amount		
At 31 March	97.6	134.3

Depreciation and interest in relation to right of use assets associated with the asset under constuction are capitalised within the asset under construction balance.

14 Investments

Group subsidiaries

Details of the group subsidiaries as at 31 March 2023 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held 2023	2022
Seagreen Wind Energy Limited	Construction Offshore Windfarm	43 Forbury Road, Reading, England, RG1 3JH United Kingdom	100%	100%
Seagreen Alpha Wind Energy Limited*	Dormant	43 Forbury Road, Reading, England, RG1 3JH United Kingdom	50%	50%
Seagreen Bravo Wind Energy Limited*	Dormant	43 Forbury Road, Reading, England, RG1 3JH United Kingdom	100%	100%

* indicates indirect investment of the company.

14 Investments (continued)

Group associates

Summary of the company investments

	2023 £ m	2022 £ m
Investments in subsidiaries	229.4	132.2

Subsidiaries	**£ m**
Cost or valuation	
Cost brought forward	1.2
Additions	131.0
At 31 March 2022	132.2
At 1 April 2022	132.2
Additions	97.2
At 31 March 2023	229.4
Carrying amount	
At 31 March 2023	229.4
At 31 March 2022	132.2

15 Trade and other receivables

	Group 2023 £ m	Group 2022 £ m	Company 2023 £ m	Company 2022 £ m
Accrued income	17.6	-	-	-
Other receivables	4.7	7.5	-	-
	22.3	7.5	-	-

The trade and other receivables classified as financial instruments are disclosed below in note 20. The company's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in the financial risk review note 20.

16 Cash and cash equivalents

	Group 2023 £ m	Group 2022 £ m	Company 2023 £ m	Company 2022 £ m
Cash at bank	87.8	73.7	1.4	-

17 Trade and other payables

	Group 2023 £ m	Group 2022 £ m	Company 2023 £ m	Company 2022 £ m
Trade payables	48.1	-	-	-
Accrued expenses	27.8	161.2	0.2	-
	75.9	161.2	0.2	-

The group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk review note 20.

18 Loans and borrowings

	Group 2023 £ m	Group 2022 £ m	Company 2023 £ m	Company 2022 £ m
Current loans and borrowings				
Bank borrowings	25.8	6.4	-	-
Other borrowings	(0.8)	(0.2)	-	-
	25.0	6.2	-	-

	Group 2023 £ m	Group 2022 £ m	Company 2023 £ m	Company 2022 £ m
Non-current loans and borrowings				
Bank borrowings	1,269.3	1,141.7	1,518.7	984.6
Other borrowings	1,504.1	984.4	-	-
	2,773.4	2,126.1	1,518.7	984.6

The loans and borrowings classified as financial instruments are disclosed in the financial instruments note 20.

The group's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management and impairment note 20.

Group

Non current loans and borrowings	2023 £m	2022 £m
Finance lease liabilities	93.8	130.5

Finance lease liabilities all fall due outwith 1 year.

18 Loans and borrowings (continued)

	Year of Maturity	Group 2023 £ m	(As restated) 2022 £ m
Payables: falling due wihtin less than one year			
Commercial Generation Facility	2039	3.2	(0.6)
Generation Revolving Credit Facility	2039	1.0	-
Commercial Revolving Credit Facility	2039	10.2	-
Transmission Facilities	2024	(1.6)	(2.0)
Mezzanine Facility	2032	3.2	(0.1)
2.3% Shareholder Loans	2055	(0.4)	(0.1)
2.3% Covered Loans	2055	(0.4)	(0.1)
Standby Debt	2039	2.4	-
VAT Facilities	2039*	7.5	8.5
Equity Support		(0.1)	0.6
		25.0	6.2
Payables: falling due within two and five years			
Commercial Generation Facility	2039	3.9	14.6
Generation Revolving Credit Facility	2039	2.0	-
Commercial Generation Facility (ECA Covered)	2039	19.6	44.8
Transmission Facilities	2024	509.3	458.7
Mezzanine Facilities	2032	8.0	16.9
2.3% Shareholder Loans	2055	(2.0)	(2.0)
2.3% Covered Loans	2055	(2.0)	(2.0)
Standby Debt		4.6	-
		543.4	531.0
Payables: falling due more than five years			
Commercial Generation Facility	2039	149.0	140.3
Commercial Generation Facility (ECA Covered)	2039	404.1	389.2
Generation Revolving Credit Facility	2039	41.2	-
Mezzanine Facility	2042	89.3	77.2
2.3% Shareholder Loans	2052	746.9	484.0
2.3% Covered loan	2055	761.1	504.4
CL Repayment loan	2055	15.5	-
Standby Debt		22.9	-
		2,230.0	1,595.1
Total		2,798.4	2,132.3

18 Loans and borrowings (continued)

All borrowing facilities with amounts outstanding at the balance sheet date charge interest at a floating rate. Such facilities were entered into upon Financial Close at which point interest rate swaps were entered into for the lifetime of all borrowings falling due after more than one year.

The loans and borrowings classified as financial instruments are disclosed in the financial instruments note 20.

The group's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management and impairment note.

* The VAT facility is a revolving credit facility and is repaid on receipt of VAT reclaimed from HMRC.

		Company	
			(As restated)
	Year of maturity	2023 £m	2022 £m
Payables: falling due more than five years	2055	744.5	482.1
Shareholder Loan	2055	758.7	502.5
Covered Loan	2055	15.5	-
CL Repayment loan		1,518.7	984.6
Total			

19 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No. m	£m	No. m	£m
Ordinary shares of £1 each	211.6	211.6	-	-

Share capital comprises of 211,605,335 ordinary shares of £1 each. Prior period share capital comprised of 200 ordinary shares of £1 each.

20 Derivatives and financial instruments

Group

Risk

Interest rate risk
Interest rate risk derives from the Group's exposure to changes in value of an asset or liability or future cash flows through changes in interest rates.

The Group's policy to manage this risk is to enter into interest rate swaps in respect of all loans entered into at Financial Close.

20 Derivatives and financial instruments (continued)

Foreign exchange risk
Foreign exchange risk derives from underlying costs in foreign exchange on the various contracts. The Group's policy to manage this risk was to enter into forward exchange contracts for all known quantifiable future foreign exchange exposure within the signed construction contracts at Financial Close. This policy has been applied consistently throughout the year ended 31 March 2023.

Liquidity risk
Liquidity risk derives from the risk the Group will not be able to meet its financial obligations as they become due. The ultimate parent companies can be exposed to significant movement in their liquidity positions due to macroeconomic factors, changes in commodity prices and working capital requirements. At Financial Close the Group entered into financing arrangements with shareholders and external lenders for total funding succifient to cover expected construction costs and contingencies such that the project is fully funded. To manage the liquidity risk external lenders were required to meet an acceptable credit rating threshold and the equity commitments from the shareholders are backed by security arrangements which meet an acceptable credit rating threshold.

The following are the contractual cash flows of interest bearing loans and borrowings, and all financial derivatives, including estimated interest payments:

20 Derivatives and financial instruments (continued)

Hedging Instrument	Carrying value	1 year or less	1 to 2 years	2 to 5 years	More than 5 years
	£m	£m	£m	£m	£m
2023 Derivative Asset					
Interest rate risk					
Interest rate swaps used for hedging	186.7	31.3	10.0	29.8	115.8
	186.7	31.3	10.0	29.8	115.8
2023 Derivative Liabilities					
Foreign currency risk					
Forward contracts used for hedging	(0.2)	-	-	-	(0.2)
Interest rate risk					
Affiliate contract for difference	(21.9)	-	-	-	(21.9)
	(22.1)	-	-	-	(22.1)
2023 Total Derivatives	164.6	31.3	10.0	29.8	93.7
2023 Non-Derivative Liabilities					
Commercial Generation Facility	(156.1)	(3.2)	(1.9)	(2.1)	(149.0)
Generation Revolving Credit Facility	(44.3)	(1.0)	(0.9)	(1.1)	(41.2)
Commercial Generation Facility (ECA Covered)	(434.0)	(10.2)	(8.6)	(11.0)	(404.1)
Transmission Facilities	(507.7)	1.6	(509.3)	-	-
Mezzanine Facility	(100.3)	(3.1)	(3.0)	(5.1)	(89.2)
VAT Facility	(7.5)	(7.5)	-	-	-
Standby Debt	(29.9)	(2.4)	(2.0)	(2.6)	(22.8)
Holdco Covered Loan	(774.6)	0.4	0.8	1.2	(777.0)
SSE Shareholder Loan	(744.1)	0.4	0.8	1.2	(746.5)
Total non-derivatives	(2,798.5)	(25.0)	(524.1)	(19.5)	(2,229.8)
2023 Net Total	**(2,633.9)**	**6.3**	**(514.1)**	**10.3**	**(2,136.1)**

20 Derivatives and financial instruments (continued)

Hedging Instrument - (As restated)	**Carrying value**	**1 year or less**	**1 to 2 years**	**2 to 5 years**	**More than 5 years**
	£m	**£m**	**£m**	**£m**	**£m**
2022 Derivative Asset					
Interest rate risk					
Interest rate swaps used for hedging	101.5	5.7	5.7	17.1	73.0
	101.5	5.7	5.7	17.1	73.0
2022 Derivative Liabilities					
Foreign currency risk					
Forward contracts used for hedging	(13.0)	(13.0)	-	-	-
	(13.0)	(13.0)	-	-	-
2022 Total Derivatives	88.5	(7.3)	5.7	17.1	73.0
2022 Non-Derivative Liabilities					
Commercial Generation Facility	(154.2)	0.6	(1.2)	(13.3)	(140.3)
Commercial Generation Facility (ECA Covered)	(434.0)	-	(4.7)	(40.1)	(389.2)
Transmission Facilities	(456.7)	2.0	(458.7)	-	-
Mezzanine Facility	(93.9)	0.1	(1.5)	(15.3)	(77.2)
VAT Facility	(8.5)	(8.5)	-	-	-
Holdco Covered Loan	(482.1)	0.1	0.8	1.2	(484.2)
2.3% Shareholder loans	(502.4)	0.1	0.8	1.2	(504.5)
Equity Support	(0.6)	(0.6)	-	-	-
Total non-derivatives	(2,132.4)	(6.2)	(464.5)	(66.3)	(1,595.4)
2022 Net Total	**(2,043.9)**	**(13.5)**	**(458.8)**	**(49.2)**	**(1,522.4)**

Hedge accounting

Fair value of financial instruments

The fair values of the Group's financial assets and financial derivatives, and the carrying amounts in the balance sheet are analysed below. Balances included in the analysis of primary financial assets and liabilities include cash and cash equivalents, loans and borrowings, trade and other receivables and trade and other payables, all of which are disclosued seperately.

20 Derivatives and financial instruments (continued)

Finanial Assets	Carrying Value		Fair Value	
	2023	2022	2023	2022
	£m	£m	£m	£m
Derivative financial assets	186.7	101.5	186.7	101.5
Trade and other receivables	22.3	7.5	22.3	7.5
Cash and cash equivalents	87.8	73.7	87.8	73.7
	296.8	182.7	296.8	182.7

Finanial Liabilities	Carrying Value		Fair Value	
		(As restated)		(As restated)
	2023	2022	2023	2022
	£m	£m	£m	£m
Derivative financial liabilities	22.1	-	22.1	-
Trade and other payables	75.9	161.2	75.9	161.2
Loans and other borrowings	2,798.4	2,132.3	2,798.4	2,132.3
	2,896.4	2,293.5	2,896.4	2,293.5

Derivative Financial Liabilities

During the year, the Group entered into a 15-year Affiliate Contract for Difference ("ACfD") agreement with SSE Generation Limited a wholly owned subsidiary of SSE Plc, with delivery commencing on Commercial Operation Date ("COD"). Due to the valuation complexity and the use of unobservable market data which is significant in determining the fair value the ACfD meets the definition of a Level 3 financial instruments within the fair value hierarchy. The contract was not active at 31 March 2023.

20 Derivatives and financial instruments (continued)

Basis of determining fair value
The fair value of the ACfD was determined using the income approach with reference to future market prices which are beyond the liquid period in the forward market.

The ACfD was issued for £nil consideration, being the deemed transaction price. The ACfD had a fair value on day 1, being the difference between the strike price per the contract and the forward market spot price. The valuation is based on unobservable inputs with are significant in determining fair value and is considered judgemental. Key assumptions applied when deriving the fair value are related to discount rates; electricity volumes; and electricity prices. In line with IFRS 9, the initial gain or loss at inception is not recognised in the consolidated income statement immediately but is deferred and recognised over the life of the instrument. The fair value measurement impact in the income statement attributable to Level 3 CfDs was £169.9m (2022: £nil).

All other derivatives are classified as Level 2 within the fair value hierarchy. The fair value measurements for level 2 derivatives are those derived from inputs, other than quoted prices, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Fair values for all other derivatives classified as Level 2 have been determined with reference to closing market prices. Estimates applied reflect the management's best estimates of these factors.

There were no transfers between levels during the year ended 31 March 2023.

20 Derivatives and financial instruments (continued)

20.2 Fair value measurement

The following tables provide the fair value measurement hierarchy of the group's assets and liabilities.

Assets measured at fair value 2023

	Level 1 £ m	Level 3 £ m	Total £ m
Derivative financial assets	-	186.7	186.7
Cash and cash equivalents	87.8	-	87.8
Trade and other receivables	22.3	-	22.3
	110.1	186.7	296.8

Assets measured at fair value 2022

	Level 1 £ m	Level 2 £ m	Total £ m
Derivative financial assets	-	101.5	101.5
Cash and cash equivalents	73.7	-	73.7
Trade and other receivables	7.5	-	7.5
	81.2	101.5	182.7

Liabilities measured at fair value 2023

	Level 1 £ m	Level 2 £ m	Level 3 £ m	Total £ m
Derivative financial liability	-	0.2	21.9	22.1
Trade and other payables	75.9	-	-	75.9
Loans and other borrowings	2,798.4	-	-	2,798.4
	2,874.3	0.2	21.9	2,896.4

Liabilities measured at fair value 2022

	Level 1 £ m	Level 2 £ m	Total £ m
Derivative financial liability	-	13.0	13.0
Trade and other payables	161.2	-	161.2
Loans and other borrowings	2,132.3	-	2,132.3
	2,293.5	13.0	2,306.5

20 Derivatives and financial instruments (continued)

20.2 Fair value measurement (continued)

Fair values have been determined with reference to closing market prices.

Unless otherwise stated, carrying value approximates fair value.

Basis of determining fair value
Closing rate market values have been used to determine the fair values of the interest rate and foreign currency contracts. Estimates applied reflect the management's best estimates of these factors.

Level 3 recurring fair value measurements
2023

The following table represents the difference between the Level 3 financial instruments at fair value at the start of the reporting period and at the reporting date:

	£m
Level 3 financial instrument fair value as at 31 March 2022	-
Additions (cash contributions)	21.9
Remeasurement loss recognised in income statement	-
Remeasurement loss recognised in other comprehensive income	-
Level 3 financial instrument fair value as at 31 March 2023	21.9

The following table shows the impact on the fair value if the Level 3 energy derivative when applying reasonable possible alternative assumptions to the valuation obtained using the discounted cash flow model.

	At 31 March 2023	
Assumption	**Increase/decrease in assumption**	**Effect on fair value of deferred measurement differences £m**
Discount rate	+1%/-1%	
Increase in volumes	+10%/-10%	
Prices	+10%/-10%	

20 Derivatives and financial instruments (continued)

20.2 Fair value measurement (continued)

Financial Instruments Valued using Unobservable Market Data
The amounts not recognised in the consolidated income statement relating to the difference between fair value at initial recognition (the transaction price) and the amounts determined at initial recognition using the valuation techniques as follows:

	2023 £m
At 1 April 2022	-
New transactions	21.9
At 31 March 2023	21.9

21 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £46,500,000 (2022 - £1,282,735).

22 Related party transactions

	Purchases 2023 £m	Sales 2023 £m	Credit Support Costs 2023 £m	Payables Outstanding 2023 £m	Amounts due 2023 £m	Interest Charged on Loans 2023 £m	Loans Received From 2023 £m	Shares Paid Up 2023 £m
SSE Renewables Services (UK) Limited	28.2	-	-	14.9	-	96.5	755.0	-
TotalEnergies Holdings	-	-	1.9	-	-	-	786.0	-
SSE Energy Supply Limited	-	44.0	-	-	7.2	-	-	-
	28.2	44.0	1.9	14.9	7.2	96.5	1,541.0	-

22 Related party transactions (continued)

	Purchases	Sales	Credit Support Costs	Payables Outstanding	Amounts due	Interest Charged on Loans	Loans Received From	Shares Paid Up
	2022 £m	2022 £m	2022 £m	2022 £m	2022 £m	2022 £m	2022 £m	2022 £m
SSE Renewables Services (UK) Limited	17.6	-	-	4.7	-	27.8	473.1	-
TotalEnergies Holdings	-	-	6.3	-	-	-	492.4	-
SSE plc	-	-	6.0	-	-	-	-	-
	17.6	-	12.3	4.7	-	27.8	965.5	-

Recharges have been made by SSE Renewables Services (UK) Limited, as the provider of the Construction Management Agreement (CMA) during the year, for the services provided by personnel who have worked on the Seagreen project, and other services including corporate services and office rent. During the year ended 31 March 2023 the Company was charged £28.2m by SSE Renewables Services (UK) Limited in respect of these costs. At the year end there were payables outstanding of £14.9m due to SSE Renewables Services (UK) Limited in respect of these costs. In line with the CMA entered into by all of the Company and shareholders, no recharges have been made by the shareholders to the Company in relation to the remuneration of directors.

Following Financial Close and in relation to Seagreen Wind Energy Limited's equity and loan commitments the Company has been charged by shareholders for the credit support arranged in favour of the Company. During the year TotalEnergies Holding's charged £1.9m in relation to credit support fees.

Shareholder loans

During the year, shareholder loans of £755m (2022: £473m) were provided by SSE Renewables Services (UK) Limited to the Company. TOTALEnergies Renewables Seagreen Holdco Limited provided loans of £786m (2022: £492m).

No impairment has been recognised in relation to related party balances in the current or prior years.

23 Provisions

Group

	Decomissioning £ m	Total £ m
At 1 April 2021	-	-
Additions	23.4	23.4
At 31 March 2022	23.4	23.4
At 1 April 2022	23.4	23.4
Additions	81.9	81.9
At 31 March 2023	105.3	105.3

23 Provisions (continued)

In accordance with the group's accounting policy a provision has been made for the decommissioning of thegroup's wind farms. The decommissioning provision recognised as at 31 March 2023 is based on 79 turbines being installed at the reporting date. The decommissioning provision will significantly increase when all 114 turbines are installed. At this point, sensitivity analysis will be carried out. A discount rate of 3.82% has been applied to discount the decommissioning cost provision to present values. The unwinding of discount rate in relation to decommissioning costs is charged to interest payable in the profit and loss account once the windfarm is fully operational.

24 Parent and ultimate parent undertaking

Seagreen Holdco 1 Limited is a joint venture between SSE Renewables Services (UK) Limited (49%) and TotalEnergies Renewables (51%).
The ultimate parent of SSE Renewables Services (UK) Limited is SSE Plc. The most recent annual report of SSE Plc can be found at https://www.sse.com/investors/reports-and-results/

The ultimate parent of TotalEnergies Renewables Seagreen Holdco Limited is Total SE and the most recent annual report can be found at
https://totalenergies.com/investors/publications-and-regulated-information/regulated-information/annual-financial-reports

Decisions are agreed mutually between shareholders and Directors are therefore of the view that there is no ultimate controlling party or parent.

The parent address is:
SSE Renewables Services (UK) Limited:
Millennium House
25 Great Victoria Street
Belfast
Northern Ireland
BT2 7AQ

TotalEnergies Renewables:
Tour Cbx 1 Ple des Reflets 92400 Courbevoie

25 Non adjusting events after the financial period

Offshore Electricity Transmission - Final Transfer Value

Under Ofgem regulations, in the UK owners and operators of generation assets cannot also own and operation, transmission assets. However, it is permitted for transmission assets to be developed and constructed by owners of generation assets and then sold. Ofgem require for OFTO assets to be sold through a regulated sales process. On 12 May 2023 Seagreen Wind Energy commenced the Final Transfer Value cost assessment process with Ofgem in relation to the regulated sale of the transmission assets. From this date onwards the transmission assets are classified as held for sale. This has no impact on the treatment of the transmission assets as at 31 March 2023.

TotalEnergies Equity Sell down

On 1 June 2023, TotalEnergies Renewables Seagreen Holdco Limited issued a Transfer Notice, under the shareholders' agreement relating to Seagreen Holdco 1 Limited, to SSE Renewables Services (UK) Limited to notify the SSE Shareholder that the Total Shareholder is contemplating selling 50% of its Shares in the Company and 50% of its Shareholder Loans to a third party. The sale is expected to complete on or after 30 November 2023.

Commercial Operations Date (COD)

In October 2023 SWEL achieved COD following all 114 turbines being fully commissioned.