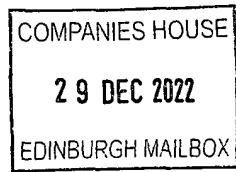
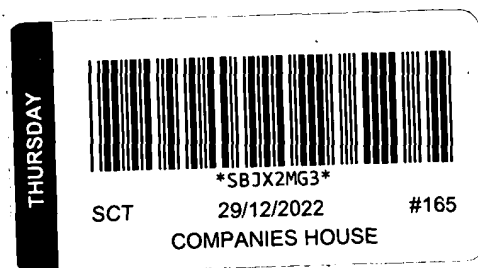


Registration number: 07294645



Seagreen Holdco 1 Limited  
Annual Report and Consolidated Financial Statements  
for the Year Ended 31 March 2022



# **Seagreen Holdco 1 Limited**

## **Contents**

|                                                |          |
|------------------------------------------------|----------|
| Company Information                            | 1        |
| Strategic Report                               | 2 to 3   |
| Directors' Report                              | 4 to 5   |
| Statement of Directors' Responsibilities       | 6        |
| Independent Auditor's Report                   | 7 to 9   |
| Consolidated Income Statement                  | 10       |
| Consolidated Statement of Comprehensive Income | 11       |
| Consolidated Statement of Financial Position   | 12       |
| Statement of Financial Position                | 13       |
| Consolidated Statement of Changes in Equity    | 14       |
| Statement of Changes in Equity                 | 15       |
| Consolidated Statement of Cash Flows           | 16       |
| Statement of Cash Flows                        | 17       |
| Notes to the Financial Statements              | 18 to 40 |

# **Seagreen Holdco 1 Limited**

## **Company Information**

### **Directors**

Paul Gerald Cooley  
Finlay Alexander McCutcheon  
Olivier Terneaud  
Silke Ehrhart  
Phillipe Marie Francois De Cacqueray Valmenier  
Barry O'Regan

### **Company secretary**

Alice Margaret Leggat

### **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

Lloyds Bank Plc  
25 Gresham Street  
London  
EC2V 7HN

### **Auditors**

Ernst & Young LLP  
G1 Building, 5 George Square  
Glasgow  
G2 1DY

## **Seagreen Holdco 1 Limited**

### **Strategic Report for the Year Ended 31 March 2022**

The directors present their strategic report for the year ended 31 March 2022.

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 performed their duty to promote the success of Seagreen Holdco 1 Limited and its subsidiaries.

The Strategic and 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 2022, 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 Renewables Seagreen Holdco Limited (51%).

On 16th December 2021, the group disposed 50% share capital in Seagreen Alpha Wind Energy Limited to Seagreen 1A Limited. The shares were valued at £1 with Seagreen 1A Limited acquiring 50 shares. The transaction completed for £50. Seagreen Alpha Wind Energy Limited holds the legal title of the agreement for lease and consents for the Seagreen windfarm site. The 50% disposal by Seagreen Wind Energy Limited resulted in Seagreen Alpha Wind Energy Limited becoming a joint consent company between Seagreen 1A Limited and Seagreen Wind Energy Limited.

#### **Business review**

##### ***Fair review of the business***

During the period ended 31 March 2022 the following key construction milestones were achieved:

- August 2021 First foundation jackets arrive at the Port of Nigg (at the reporting date 21 jackets had been installed offshore)
- October 2021 Completion of onshore drilling works
- December 2021 Installation of offshore substation jacket
- March 2022 Installation of offshore platform topside

Following the balance sheet date, on 22<sup>nd</sup> August 2022 the project achieved first power generation from the first of 114 offshore wind turbines.

#### **Business performance overview**

During the year the company was focussed on fabrication, construction and safety at all site locations. Onshore works were primarily focussed with the continued construction of the onshore substation at Tealing and the cable route from landfall. The onshore substation comprises of three circuits and by the balance sheet date energisation of circuit 1 had been achieved.

Offshore works were focussed on the installation programme with the commencement of installing jacket foundations during the year. Turbine installation was also a key focus. At the balance sheet date 21 jacket foundations and 21 turbines had been installed offshore. Following the balance sheet date first power generation had been achieved offshore. Installation of the offshore transmission asset jacket and topside was completed in the year. Construction of the operations and maintenance base at Montrose completed during the year.

## Seagreen Holdco 1 Limited

### Strategic Report for the Year Ended 31 March 2022 (continued)

Construction of the operations and maintenance base at Montrose completed during the year.

Fabrication across a range of international locations continued with fabrication of turbine jackets, topside jackets, export cables and turbine towers. International fabrication locations;

- Petrofac - UAE
- Nexans - US
- Subsea 7 - China, UAE & Greece
- MVOW - Denmark

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

|                           | Unit | 2022      | 2021      |
|---------------------------|------|-----------|-----------|
| Operating loss before tax | £000 | (62)      | (43)      |
| Capital Expenditure       | £000 | 1,146,712 | 1,056,680 |

## Seagreen Holdco 1 Limited

### Strategic Report for the Year Ended 31 March 2022 (continued)

#### *Principal risks and uncertainties*

The company's principal activity is to construct and operate an offshore wind farm site with a maximum consented capacity of 1.5 GW. In the prior year the company commenced construction with the principal risks facing the company in the both the short and medium term being; delays to the construction programme (including fabrication and installation), cost overruns and safety risks across all sites involved in the onshore construction and offshore construction activities. In order to mitigate risks the following have been put in place:

#### *Construction Contracts*

Following the year end and achievement of Financial Close the company 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 of;

- 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 company's exposure to market and liquidity risk has been hedged at the date of financial close with foreign currencies relating to construction contracts hedged along with the execution of interest rates swaps

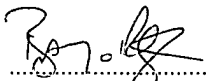
#### *Advisors*

The relevant advisors have been engaged to support the requirements of having secured external financing 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 23/12/22... and signed on its behalf by:

  
Barry O'Regan  
Director

## Seagreen Holdco 1 Limited

### Directors' Report for the Year Ended 31 March 2022

The directors present their report and the consolidated financial statements for the year ended 31 March 2022.

#### 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.

#### 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.

#### Proposed dividend

The directors do not recommend the payment of a dividend (2021: £nil).

#### Political and charitable donations

The Company made no charitable or political donations during the year (2021: £nil).

#### Important adjusting events after the financial period

No adjusting events have occurred after the reporting date.

On 22nd August 2022 the first power generation was achieved from the first of 114 offshore wind turbines at the offshore windfarm site. This a non-adjusting event.

#### Future developments

The company 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.

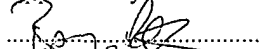
#### Going concern

The financial statements have been prepared on a going concern basis, which assumes adequate resources will be available for the twelve-month period to December 2023 following approval of the financial statements. In performing their assessment, the Directors have considered the future financial plans of the Group and Company and its ability to access necessary funding. The directors have assessed that the Company will have sufficient resources to continue as a going concern for the twelve-month period to 31 December 2023, and therefore have prepared the financial statements on a going concern basis. The total forecast capital expenditure for the windfarm is c.£3bn. Total senior debt committed from Financial Close in June 2020 is c.£1.4bn from commercial banks together with export credit agencies. £107m Mezzanine debt secured. The remainder of the funding required to construct the windfarm has been committed by the shareholders. The company will primarily funded by shareholders over the going concern period and shareholder cash flows have been assessed along with confirmation shareholder will not recall their loans, in supporting the going concern basis adopted.

#### Reappointment of auditors

In accordance with Section 489 of the Companies Act 2006, the directors have confirmed that Ernst and Young LLP will be appointed External Auditor for the Company for the year ending 31 March 2023, subject to approval by shareholders at the forthcoming Board of Directors meeting.

Approved by the Board on 23/12/22 and signed on its behalf by:



Barry O'Regan  
Director

## **Seagreen Holdco 1 Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing 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 UK-adopted international accounting standards ("IFRS").

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 company and of the profit or loss of the group and company 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;
- in respect of the financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.



## **Seagreen Holdco 1 Limited**

### **Independent Auditor's Report to the Members of Seagreen Holdco 1 Limited**

#### **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 2022, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Statement of Financial Position, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

#### **Basis for qualified opinion on financial statements**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### **Qualified opinion on financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 director's 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 or parent company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

#### **Other information**

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

## **Seagreen Holdco 1 Limited**

### **Independent Auditor's Report to the Members of Seagreen Holdco 1 Limited (continued)**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matter 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 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities [set out on page 6], 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.

## **Seagreen Holdco 1 Limited**

### **Independent Auditor's Report to the Members of Seagreen Holdco 1 Limited (continued)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### Detecting irregularities, including fraud

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.

.....  
Nicola McIntyre (Senior Statutory Auditor)  
For and on behalf of EY LLP, Statutory Auditor

G1 Building, 5 George Square  
Glasgow  
G2 1DY

Date:.....

# Seagreen Holdco 1 Limited

## Consolidated Income Statement for the Year Ended 31 March 2022

|                                | Note | 2022<br>£ 000 | 2021<br>£ 000 |
|--------------------------------|------|---------------|---------------|
| Revenue                        |      | -             | -             |
| Administrative expenses        | 3    | (62)          | (43)          |
| Operating loss                 |      | (62)          | (43)          |
| Finance costs                  |      | -             | -             |
| Loss before tax                |      | (62)          | (43)          |
| Tax expense                    | 8    | 780           | -             |
| Profit/(loss) for the year     |      | 718           | (43)          |
| Profit/(loss) attributable to: |      |               |               |
| Owners of the company          |      | 718           | (43)          |

The above results were derived from continuing operations.

## Seagreen Holdco 1 Limited

### Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2022

|                                                                      | 2022<br>£ 000 | 2021<br>£ 000 |
|----------------------------------------------------------------------|---------------|---------------|
| Profit/(loss) for the year                                           | 718           | (43)          |
| Total comprehensive income for the year                              | 718           | (43)          |
| <b>Items that may be reclassified subsequently to profit or loss</b> |               |               |
| Taxation on cashflow hedges                                          | (15,572)      | 6,540         |
| Gain/(loss) on effective portion of cash flow hedges                 | 137,236       | (44,786)      |
|                                                                      | 121,664       | (38,246)      |
| <b>Total comprehensive income attributable to:</b>                   |               |               |
| Owners of the company                                                | 122,382       | (38,289)      |

The notes on pages 18 to 40 form an integral part of these financial statements.

# Seagreen Holdco 1 Limited

(Registration number: 07294645)

## Consolidated Statement of Financial Position as at 31 March 2022

|                                                            | Note | 2022<br>£ 000      | 2021<br>£ 000      |
|------------------------------------------------------------|------|--------------------|--------------------|
| <b>Assets</b>                                              |      |                    |                    |
| <b>Non-current assets</b>                                  |      |                    |                    |
| Property, plant and equipment                              | 9    | 2,205,328          | 1,058,616          |
| Right of use assets                                        | 10   | 134,321            | -                  |
| Deferred costs                                             | 11   | 39,783             | 34,367             |
| Investments in subsidiaries, joint ventures and associates | 12   | -                  | -                  |
| Deferred tax assets                                        | 8    | 20,894             | 4,542              |
| Other non-current financial assets                         | 19   | 101,471            | -                  |
|                                                            |      | <u>2,501,797</u>   | <u>1,097,525</u>   |
| <b>Current assets</b>                                      |      |                    |                    |
| Trade and other receivables                                | 13   | 7,628              | 7,081              |
| Cash and cash equivalents                                  | 14   | 73,714             | 49,975             |
|                                                            |      | <u>81,342</u>      | <u>57,056</u>      |
| Total assets                                               |      | <u>2,583,139</u>   | <u>1,154,581</u>   |
| <b>Equity and liabilities</b>                              |      |                    |                    |
| <b>Equity</b>                                              |      |                    |                    |
| Share capital                                              | 15   | -                  | -                  |
| Cashflow hedge reserve                                     |      | (83,418)           | 38,246             |
| Retained earnings                                          |      | 659                | 1,377              |
| Total equity                                               |      | <u>(82,759)</u>    | <u>39,623</u>      |
| <b>Non-current liabilities</b>                             |      |                    |                    |
| Long term lease liabilities                                | 16   | (130,535)          | -                  |
| Loans and borrowings                                       | 16   | (2,163,073)        | (1,053,344)        |
| Provisions                                                 | 22   | (23,406)           | -                  |
| Other non-current financial liabilities                    | 19   | -                  | (34,420)           |
|                                                            |      | <u>(2,317,014)</u> | <u>(1,087,764)</u> |
| <b>Current liabilities</b>                                 |      |                    |                    |
| Trade and other payables                                   | 17   | (161,206)          | (106,441)          |
| Loans and borrowings                                       | 16   | (9,134)            | -                  |
| Other current financial liabilities                        | 19   | (13,026)           | -                  |
|                                                            |      | <u>(183,366)</u>   | <u>(106,441)</u>   |
| Total liabilities                                          |      | <u>(2,500,380)</u> | <u>(1,194,205)</u> |
| Total equity and liabilities                               |      | <u>(2,583,139)</u> | <u>(1,154,581)</u> |

Approved by the Board on 23/12/22 and signed on its behalf by:

  
Barry O'Regan

The notes on pages 18 to 40 form an integral part of these financial statements.

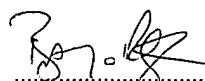
# Seagreen Holdco 1 Limited

(Registration number: 07294645)

## Statement of Financial Position as at 31 March 2022

|                                                            | Note | 2022<br>£ 000      | 2021<br>£ 000   |
|------------------------------------------------------------|------|--------------------|-----------------|
| <b>Assets</b>                                              |      |                    |                 |
| <b>Non-current assets</b>                                  |      |                    |                 |
| Deferred costs                                             |      | 22,643             | 14,921          |
| Investments in subsidiaries, joint ventures and associates | 12   | 132,156            | 1,150           |
| Amounts owed from subsidiaries                             | 13   | 869,454            | 7,323           |
| Deferred tax asset                                         |      | 2,154              | -               |
|                                                            |      | <u>1,026,407</u>   | <u>23,394</u>   |
| <b>Current assets</b>                                      |      |                    |                 |
| Trade and other receivables                                | 13   | -                  | -               |
| Total assets                                               |      | <u>1,026,407</u>   | <u>23,394</u>   |
| <b>Equity and liabilities</b>                              |      |                    |                 |
| <b>Equity</b>                                              |      |                    |                 |
| Share capital                                              | 15   | -                  | -               |
| Retained earnings                                          |      | (19,294)           | 433             |
| Total equity                                               |      | <u>(19,294)</u>    | <u>433</u>      |
| <b>Non-current liabilities</b>                             |      |                    |                 |
| Loans and borrowings                                       | 16   | (1,007,097)        | (23,822)        |
| Deferred tax liabilities                                   |      | -                  | -               |
|                                                            |      | <u>(1,007,097)</u> | <u>(23,822)</u> |
| <b>Current liabilities</b>                                 |      |                    |                 |
| Trade and other payables                                   | 17   | (16)               | (5)             |
| Total liabilities                                          |      | <u>(1,007,113)</u> | <u>(23,827)</u> |
| Total equity and liabilities                               |      | <u>(1,026,407)</u> | <u>(23,394)</u> |

Approved by the Board on 23/12/22 and signed on its behalf by:

  
 .....  
 Barry O'Regan  
 Director

# Seagreen Holdco 1 Limited

## Consolidated Statement of Changes in Equity for the Year Ended 31 March 2022

|                          | Share capital<br>£ 000 | Retained<br>earnings<br>£ 000 | Hedge<br>reserve<br>£000 | Total<br>£ 000 |
|--------------------------|------------------------|-------------------------------|--------------------------|----------------|
| At 1 April 2020          | -                      | (1,334)                       | -                        | (1,334)        |
| Loss for the year        | -                      | (43)                          | -                        | (43)           |
| Total comprehensive loss | -                      | -                             | (38,246)                 | (38,246)       |
| At 31 March 2021         | -                      | (1,377)                       | (38,246)                 | (39,623)       |

| Note                       | Share capital<br>£ 000 | Retained<br>earnings<br>£ 000 | Hedge<br>reserve<br>£000 | Total<br>£ 000 |
|----------------------------|------------------------|-------------------------------|--------------------------|----------------|
| At 1 April 2021            | -                      | (1,377)                       | (38,246)                 | (39,623)       |
| Profit for the year        | -                      | 718                           | -                        | 718            |
| Other comprehensive income | -                      | -                             | 121,664                  | 121,664        |
| At 31 March 2022           | -                      | (659)                         | 83,418                   | 82,759         |

The notes on pages 18 to 40 form an integral part of these financial statements.



# **Seagreen Holdco 1 Limited**

## **Statement of Changes in Equity for the Year Ended 31 March 2022**

|                            | <b>Retained<br/>earnings<br/>£ 000</b> | <b>Total<br/>£ 000</b> |
|----------------------------|----------------------------------------|------------------------|
| Profit for the year        | 19,726                                 | 17,140                 |
| Total comprehensive income | 19,726                                 | 17,140                 |
| At 31 March 2022           | 19,726                                 | 17,150                 |
|                            | <b>Retained<br/>earnings<br/>£ 000</b> | <b>Total<br/>£ 000</b> |
| Loss for the year          | (433)                                  | (514)                  |
| Total comprehensive income | (433)                                  | (514)                  |
| At 31 March 2021           | (433)                                  | (514)                  |

The notes on pages 18 to 40 form an integral part of these financial statements.

## Seagreen Holdco 1 Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

|                                                             | Note | 2022<br>£ 000 | 2021<br>£ 000 |
|-------------------------------------------------------------|------|---------------|---------------|
| <b>Cash flows from operating activities</b>                 |      |               |               |
| Profit/(loss) for the year                                  |      | 718           | (43)          |
| Adjustments to cash flows from non-cash items               |      |               |               |
| Finance costs                                               | 4    | -             | -             |
| Tax credit                                                  |      | (780)         |               |
|                                                             |      | (62)          | (43)          |
| Working capital adjustments                                 |      |               |               |
| (Increase)/decrease in trade and other receivables          | 13   | (547)         | 5,534         |
| (Decrease)/Increase in trade and other payables             |      | 12,938        | 53,297        |
| Increase in deferred costs                                  |      | (8,329)       | (34,367)      |
| Net cash flow from operating activities                     |      | 4,000         | 24,464        |
| Deferred tax                                                |      | -             | (6,532)       |
| Net cash from operating activities                          |      | 4,000         | 17,889        |
| <b>Cash flows from investing activities</b>                 |      |               |               |
| Acquisitions of property plant and equipment                | 9    | (1,091,942)   | (844,408)     |
| Acquisition of investments in joint ventures and associates |      | -             | 561.0         |
| Net cash flows from investing activities                    |      | (1,091,942)   | (843,847)     |
| <b>Cash flows from financing activities</b>                 |      |               |               |
| Proceeds from issue of ordinary shares, net of issue costs  |      | -             | -             |
| Proceeds from bank borrowing draw downs                     |      | 1,118,863     | 1,053,344     |
| Repayment of other borrowings                               |      | -             | (180,644)     |
| Lease premium paid to finance lease creditors               |      | (7,182)       | -             |
| Net cash flows from financing activities                    |      | 1,111,681     | 872,700       |
| Net increase in cash and cash equivalents                   |      | 23,739        | 46,742        |
| Cash and cash equivalents at 1 April                        |      | 49,975        | 3,233         |
| Cash and cash equivalents at 31 March                       |      | 73,714        | 49,975        |
| Cash and short-term deposits                                |      | 73,714        | 49,975        |

The notes on pages 18 to 40 form an integral part of these financial statements.

## Seagreen Holdco 1 Limited

### Statement of Cash Flows for the Year Ended 31 March 2022

|                                                       | Note | 2022<br>£ 000    | 2021<br>£ 000   |
|-------------------------------------------------------|------|------------------|-----------------|
| <b>Cash flows from operating activities</b>           |      |                  |                 |
| Profit/(loss) for the year                            |      | 19,726           | (433)           |
| Adjustments to cash flows from non-cash items         |      |                  |                 |
| Finance costs                                         | 4    |                  | 428             |
| Income tax credit                                     |      | (2,154)          | -               |
|                                                       |      | <u>17,572</u>    | <u>(5)</u>      |
| Working capital adjustments                           |      |                  |                 |
| (Increase)/decrease in trade and other receivables    | 13   | -                | -               |
| Increase in trade and other payables                  |      | 13               | 5               |
| Increase in deferred costs                            |      | (7,722)          | (14,921)        |
| Increase in deferred tax asset                        |      |                  | <u>-</u>        |
| Net cash flow from operating activities               |      | <u>9,863</u>     | <u>(14,921)</u> |
| <b>Cash flows from investing activities</b>           |      |                  |                 |
| Acquisition of subsidiaries                           | 12   | (131,006)        | (1,150)         |
| Advances of loans, classified as investing activities |      | (862,132)        | (7,323)         |
| Net cash flows from investing activities              |      | <u>(993,138)</u> | <u>(8,473)</u>  |
| <b>Cash flows from financing activities</b>           |      |                  |                 |
| Interest paid                                         |      | -                | (428)           |
| Proceeds from other borrowing draw downs              |      | 983,275          | 23,822          |
| Net cash flows from financing activities              |      | <u>983,275</u>   | <u>23,394</u>   |
| Net increase in cash and cash equivalents             |      | -                | -               |
| Cash and cash equivalents at 1 April                  |      | <u>-</u>         | <u>-</u>        |
| Cash and cash equivalents at 31 March                 |      | <u>-</u>         | <u>-</u>        |

The notes on pages 18 to 40 form an integral part of these financial statements.

## **Seagreen Holdco 1 Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **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 adopted IFRSs and under historical cost accounting rules.

The preparation of financial statements in conformity with 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.

##### **Going concern**

The financial statements have been prepared on a going concern basis, which assumes adequate resources will be available for the twelve-month period to December 2023 following approval of the financial statements. In performing their assessment, the Directors have considered the future financial plans of the Group and Company and its ability to access necessary funding. The directors have assessed that the Company will have sufficient resources to continue as a going concern for the twelve-month period to 31 December 2023, and therefore have prepared the financial statements on a going concern basis. The total forecast capital expenditure for the windfarm is c.£3bn. Total senior debt committed from Financial Close in June 2020 is c.£1.4bn from commercial banks together with export credit agencies. £107m Mezzanine debt secured. The remainder of the funding required to construct the windfarm has been committed by the shareholders. The company will primarily funded by shareholders over the going concern period and shareholder cash flows have been assessed along with confirmation shareholder will not recall their loans, in supporting the going concern basis adopted.

##### **Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2022.

## **Seagreen Holdco 1 Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

#### **2 Accounting policies (continued)**

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.

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.

#### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 April 2021 have had a material effect on the financial statements.

None of the standards, interpretations and amendments which are effective for periods beginning after 1 April 2021 and which have not been adopted early, are expected to have a material effect on the financial statements.

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 2 Accounting policies (continued)

##### Finance income and costs policy

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.

##### 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.

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.

In accordance with the transition provisions of IFRS 1 "First-time Adoption of IFRS", the Group identified the carrying value of these assets at privatisation and has treated this value as deemed cost. Following this assessment, the assets, and all subsequent enhancement and replacement expenditure, has been subject to depreciation over a useful economic life of 75 years. All subsequent maintenance expenditure is chargeable directly to the income statement.

Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease agreement.

###### *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

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 2 Accounting policies (continued)

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.

##### *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

##### **Intangible assets**

##### *Research and development*

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

##### *Development assets*

Expenditure on development activities is capitalised as intangible assets if the project or process is considered to be technically and commercially feasible and the Group 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.

##### **Deferred Costs**

Deferred costs relate to deferred Upfront Fees, paid at Financial Close and fees in relation to shareholder loans. These are charged to the Project on a straight line basis over the life of the Facility. Once the Project becomes operational the costs are charged as expenses.

## **Seagreen Holdco 1 Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

##### **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.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

##### **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 Group'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.

##### **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.

##### **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.



## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 2 Accounting policies (continued)

##### *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 2021 no decommissioning provision was required. The requirement for a decommissioning is regularly reviewed throughout asset construction.

#### 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 risk management policies are further explained in A6.

As previously noted in the 31 March 2018 Annual Report, 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.

#### Interest rate and derivatives

##### *Interest rate and foreign exchange derivatives*

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

## Seagreen Wind Energy Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 2 Accounting policies (continued)

##### Interest rate and derivatives (continued)

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.

##### *Embedded derivatives*

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives where the characteristics of the derivatives are not closely related to those of the host contracts.

##### *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.

##### *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.

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 2 Accounting policies (continued)

##### *Fair value hedges*

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised assets or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in profit or loss, together with changes in the fair value of the hedged item that are attributable to the hedged risk (in the same line item in the statement of profit or loss and OCI as the hedged item).

If hedging derivatives expire or are sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. However, if the derivative is novated to a central clearing counterparty by both parties as a consequence of laws or regulations without changes in its terms except for those that are necessary for the novation, then the derivative is not considered expired or terminated.#

Any adjustment up to the point of discontinuation of a hedged item for which the effective interest method is used is amortised to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

##### *Cash flow hedges*

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

##### *Hedges of a net investment in a foreign operation*

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a foreign investment, the effective portion of changes in the fair value of the hedging instrument is recognised in OCI and presented as a separate reserve within equity.

Any ineffective portion of the changes in the fair value of the hedge instrument is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign investment.

#### **Accounting estimates and assumptions**

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

The use of estimates and assumptions is principally limited to the determination of provisions for impairment, the valuation of financial instruments.

#### **Provisions for impairment**

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 2 Accounting policies (continued)

##### Fair value of financial assets and liabilities

Where the fair value of financial assets and liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is derived from observable markets where available, but where this is not feasible, a degree of judgement is required in determining assumptions used in the models. Changes in assumptions used in the models could affect the reported fair value of financial assets and liabilities.

#### 3 Other operating loss

The analysis of the group's other operating loss for the year is as follows:

|                          | 2022<br>£ 000 | 2021<br>£ 000 |
|--------------------------|---------------|---------------|
| Other operating expenses | (62)          | (43)          |

#### 4 Finance income and costs

Foreign exchange has been offset against the cashflow hedge reserve.

#### 5 Staff costs

The Group and the Company, itself, had 0 employees in the current and prior period.

#### 6 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.

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 7 Auditors' remuneration

During the period £51,840 has been accrued for auditors expenses of which £10,800 relates to the company.

#### 8 Income tax

The tax on profit 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.

Tax charged/(credited) in the income statement

| Group                                                          | 2022<br>£ 000 | 2021<br>£ 000 |
|----------------------------------------------------------------|---------------|---------------|
| <b>Current taxation</b>                                        | -             | -             |
| UK corporation tax                                             | -             | -             |
| <b>Deferred tax</b>                                            | -             | -             |
| Arising from origination and reversal of temporary differences | 15            | 89            |
| Impact of change in deferred tax rate                          | (296)         | -             |
| Deferred tax not recognised                                    | -             | (89)          |
| Recognition of previously unrecognised deferred tax            | 1,061         | -             |
| Total tax credit                                               | 780           | -             |

The differences reconciled below:

|                                                                             | 31 March<br>2022<br>£ 000 | 31 March<br>2021<br>£ 000 |
|-----------------------------------------------------------------------------|---------------------------|---------------------------|
| Loss before tax                                                             | (62)                      | (43)                      |
| Corporate tax at standard rate                                              | 12                        | (89)                      |
| Adjustment in respect of prior years                                        | -                         | -                         |
| Deferred tax not recognised                                                 | -                         | 89                        |
| Difference between deferred tax and corporate rate on current year movement | 3                         | -                         |
| Recognition of previously unrecognised deferred tax                         | 1,061                     | -                         |
| Impact of change in deferred tax rate                                       | (296)                     | -                         |
| Total tax credit / charge for the year                                      | 780                       | -                         |

# Seagreen Holdco 1 Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

### 8 Income tax (continued)

#### Deferred taxation

|                        | 2022<br>£ 000 | 2021<br>£ 000 |
|------------------------|---------------|---------------|
| Asset at end of period | 20,894        | 4,542         |

Deferred tax movement during the prior year:

|                                                          | 2022<br>£ 000 | 2021<br>£ 000 |
|----------------------------------------------------------|---------------|---------------|
| Opening balance                                          | 4,542         | (1,998)       |
| Current year movement – derivatives recognised in equity | 15,572        | 6,540         |
| Deferred tax charge to I/S for the period                | 780           | -             |
| Tax charged/(credited)                                   | 20,894        | 4,542         |

| Company                                                        | 2022<br>£ 000 | 2021<br>£ 000 |
|----------------------------------------------------------------|---------------|---------------|
| <b>Current taxation</b>                                        | 2,154         | -             |
| UK corporation tax                                             | -             | -             |
| <b>Deferred tax</b>                                            | -             | -             |
| <b>Origination and reversal of timing difference</b>           | 2,046         | -             |
| Arising from origination and reversal of temporary differences |               | 89            |
| Impact of change in deferred tax rate                          | 26            | -             |
| Deferred tax not recognised                                    |               | (89)          |
| Recognition of previously unrecognised deferred tax            | 82            |               |
| Total tax credit                                               | 2,154         | -             |

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 8 Income tax (continued)

The differences reconciled below:

|                                                                             | 31 March<br>2022<br>£ 000 | 31 March<br>2021<br>£ 000 |
|-----------------------------------------------------------------------------|---------------------------|---------------------------|
| Profit/ (loss) before tax                                                   | 17,572                    | (43)                      |
| Corporate tax at standard rate                                              | (3,339)                   | (89)                      |
| Deferred tax not recognised                                                 | -                         | 89                        |
| Difference between deferred tax and corporate rate on current year movement | 491                       | -                         |
| Loss surrendered / (claimed as group relief)                                | 4,894                     | -                         |
| Recognition of previously unrecognised deferred tax                         | 82                        | -                         |
| Impact of change in deferred tax rate                                       | 26                        | -                         |
| Total tax credit / charge for the year                                      | 2,154                     | -                         |
| <b>Deferred tax</b>                                                         | <b>2022</b>               | <b>2021</b>               |
|                                                                             | <b>£ 000</b>              | <b>£ 000</b>              |
| <b>Asset at end of period</b>                                               | <b>2,154</b>              | <b>-</b>                  |

Deferred tax movement during the prior year:

|                              | 2022<br>£ 000 | 2021<br>£ 000 |
|------------------------------|---------------|---------------|
| Opening balance              | -             | -             |
| Deferred tax credited to P/L | 2,154         | -             |
| Tax credited                 | 2,154         | -             |

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 9 Property, plant and equipment

|                  | Land and<br>buildings<br>£ 000 | Assets under<br>construction<br>£ 000 | Total<br>£ 000 |
|------------------|--------------------------------|---------------------------------------|----------------|
| At 1 April 2020  | 1,936                          | -                                     | 1,936          |
| Additions        | -                              | 1,056,680                             | 1,056,680      |
| At 31 March 2021 | 1,936                          | 1,056,680                             | 1,058,616      |
| At 1 April 2021  | 1,936                          | 1,056,680                             | 1,058,616      |
| Additions        | -                              | 1,146,712                             | 1,146,712      |
| At 31 March 2022 | 1,936                          | 2,203,392                             | 2,205,328      |

#### 10 Right of use assets

The company has the following right of use assets:

|                          | Other<br>£ 000 | Total<br>£ 000 |
|--------------------------|----------------|----------------|
| <b>Cost or valuation</b> |                |                |
| Additions                | 136,169        | 136,169        |
| Depreciation             | (1,848)        | (1,848)        |
| <b>Carrying amount</b>   |                |                |
| At 31 March 2022         | 134,321        | 134,321        |

Depreciation and interest in relation to right of use assets associated with the asset under construction are capitalised within the asset under construction balance. Additions includes £7,182,000 lease premium paid.



## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 11 Deferred costs

Deferred costs relate to deferred Upfront Fees, paid at Financial Close. These are charged to the Project on a straight line basis over the life of the Facility. Once the Project becomes operational the costs are charged as expenses.

| <b>Group</b>                       |               |               |
|------------------------------------|---------------|---------------|
| <b>Deferred Upfront fees costs</b> | <b>2022</b>   | <b>2021</b>   |
|                                    | <b>£000</b>   | <b>£000</b>   |
| Generation Term Loan               | 11,192        | 12,698        |
| Transmission Term Loan             | 4,466         | 5,067         |
| Mezzanine Facility                 | 1,482         | 1,681         |
| Holdco covered loan                | 11,548        | 7,610         |
| SSE SHL                            | 11,095        | 7,311         |
| <b>Total Deferred Costs</b>        | <b>39,783</b> | <b>34,367</b> |

| <b>Company</b>                     |               |               |
|------------------------------------|---------------|---------------|
| <b>Deferred Upfront fees costs</b> | <b>2022</b>   | <b>2021</b>   |
|                                    | <b>£000</b>   | <b>£000</b>   |
| Holdco covered loan                | 11,548        | 7,610         |
| SSE SHL                            | 11,095        | 7,311         |
| <b>Total Deferred Costs</b>        | <b>22,643</b> | <b>14,921</b> |

#### 12 Investments

##### Group subsidiaries

Details of the group subsidiaries as at 31 March 2022 are as follows:

| Name of subsidiary           | Principal activity             | Registered office                                            | Proportion of ownership interest and voting rights held |      |
|------------------------------|--------------------------------|--------------------------------------------------------------|---------------------------------------------------------|------|
|                              |                                |                                                              | 2022                                                    | 2021 |
| Seagreen Wind Energy Limited | Construction Offshore Windfarm | 43 Forbury Road, Reading, England, RG1 3JH<br>United Kingdom | 100%                                                    | 100% |

##### Summary of the company investments

|                             | <b>2022</b>  | <b>2021</b>  |
|-----------------------------|--------------|--------------|
|                             | <b>£ 000</b> | <b>£ 000</b> |
| Investments in subsidiaries | 132,156      | 1,150        |

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 12 Investments (continued)

|                                           |                |
|-------------------------------------------|----------------|
| <b>Summary of the company investments</b> | <b>£ 000</b>   |
| <b>Investment in subsidiaries</b>         |                |
| Subsidiaries                              | <u>1,150</u>   |
| At 31 March 2021                          | <u>1,150</u>   |
| Additions                                 | <u>131,006</u> |
| At 31 March 2022                          | <u>132,156</u> |

#### 13 Trade and other receivables

|                   | <b>Group</b> |              | <b>Company</b> |              |
|-------------------|--------------|--------------|----------------|--------------|
|                   | <b>2022</b>  | <b>2021</b>  | <b>2022</b>    | <b>2021</b>  |
|                   | <b>£ 000</b> | <b>£ 000</b> | <b>£ 000</b>   | <b>£ 000</b> |
| Other receivables | 7,628        | 7,081        | 869,454        | 7,322        |

The trade and other receivables classified as financial instruments are disclosed below. 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.

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 14 Cash and cash equivalents

|              | <b>Group</b> |              | <b>Company</b> |              |
|--------------|--------------|--------------|----------------|--------------|
|              | <b>2022</b>  | <b>2021</b>  | <b>2022</b>    | <b>2021</b>  |
|              | <b>£ 000</b> | <b>£ 000</b> | <b>£ 000</b>   | <b>£ 000</b> |
| Cash at bank | 73,714       | 49,975       | -              | -            |

#### 15 Share capital

##### Allotted, called up and fully paid shares

|                                | <b>2022</b>    |          | <b>2021</b>    |          |
|--------------------------------|----------------|----------|----------------|----------|
|                                | <b>No. 000</b> | <b>£</b> | <b>No. 000</b> | <b>£</b> |
| 200 ordinary shares of £1 each | 200            | 200      | 200            | 200      |

#### 16 Loans and borrowings

|                                         | <b>Group</b>     |                  | <b>Company</b>   |               |
|-----------------------------------------|------------------|------------------|------------------|---------------|
|                                         | <b>2022</b>      | <b>2021</b>      | <b>2022</b>      | <b>2021</b>   |
|                                         | <b>£ 000</b>     | <b>£ 000</b>     | <b>£ 000</b>     | <b>£ 000</b>  |
| <b>Current loans and borrowings</b>     |                  |                  |                  |               |
| Bank borrowings                         | 9,134            | -                | -                | -             |
|                                         | <u>9,134</u>     | <u>-</u>         | <u>-</u>         | <u>-</u>      |
| <b>Non-current loans and borrowings</b> |                  |                  |                  |               |
| Bank borrowings                         | 1,155,976        | 1,029,522        | 1,007,097        | 23,822        |
| Other borrowings                        | 1,007,097        | 23,822           | -                | -             |
|                                         | <u>2,163,073</u> | <u>1,053,344</u> | <u>1,007,097</u> | <u>23,822</u> |
|                                         | <b>2,172,207</b> | <b>1,053,344</b> | <b>1,007,097</b> | <b>23,822</b> |

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

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.

Other borrowings represent loans issued from shareholders.

|                                         | <b>2022</b>  | <b>2021</b>  |
|-----------------------------------------|--------------|--------------|
|                                         | <b>£ 000</b> | <b>£ 000</b> |
| <b>Non current loans and borrowings</b> |              |              |
| Finance lease liabilities               | 130,535      | -            |

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 16 Loans and borrowings (continued)

|                                                        | Year of Maturity | 2022<br>£ 000           | 2021*<br>£ 000          |
|--------------------------------------------------------|------------------|-------------------------|-------------------------|
| <b>Payables: falling due within less than one year</b> |                  |                         |                         |
| Generation Revolving Credit Facility                   | 2039             | -                       | -                       |
| Commercial Generation Facility (ECA Covered)           | 2039             | -                       | -                       |
|                                                        |                  | -                       | -                       |
| Mezzanine Facility                                     | 2042             | -                       | -                       |
|                                                        |                  | -                       | -                       |
| VAT facility                                           | 2039**           | 8,503                   | -                       |
|                                                        |                  | -                       | -                       |
| Equity Support                                         | 2039             | 631                     | -                       |
|                                                        |                  | <u>9,134</u>            | <u>-</u>                |
| <b>Payables: falling due within one and five years</b> |                  |                         |                         |
| Commercial generation Facility                         |                  | 17,089                  | 14,169                  |
| Generation Revolving Credit Facility                   | 2039             | -                       | -                       |
| Commercial Generation Facility (ECA Covered)           | 2039             | 44,842                  | 37,179                  |
| Transmission Facilities                                | 2024             | 461,248                 | 331,211                 |
| Mezzanine Facility                                     | 2042             | 17,120                  | 14,445                  |
| VAT facility                                           | 2039             | -                       | 7,553                   |
| Equity support                                         | 2039             | -                       | 1,284                   |
|                                                        |                  | <u>540,299</u>          | <u>405,841</u>          |
| <b>Payables: falling due more than five years</b>      |                  |                         |                         |
| Commercial Generation Facility                         | 2039             | 148,305                 | 151,226                 |
| Commercial Generation Facility (ECA Covered)           | 2039             | 389,158                 | 396,821                 |
| Generation Revolving Credit Facility                   | 2039             | -                       | -                       |
| Mezzanine Facility                                     | 2042             | 78,214                  | 75,634                  |
| 2.3% Shareholder Loans                                 | 2052             | 493,607                 | 11,673                  |
| 2.3% Covered Loan                                      | 2052             | 513,490                 | 12,149                  |
|                                                        |                  | <u>1,622,774</u>        | <u>647,503</u>          |
| <b>Total</b>                                           |                  | <u><b>2,172,207</b></u> | <u><b>1,053,344</b></u> |

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 16 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.

The company'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 prior year total was based on the debt balances available to be drawn and has been updated to reflect the actual balances drawn. The current year reflects the current drawn position to date.

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

#### 17 Trade and other payables

|                  | <b>Group</b> |              | <b>Company</b> |              |
|------------------|--------------|--------------|----------------|--------------|
|                  | <b>2022</b>  | <b>2021</b>  | <b>2022</b>    | <b>2021</b>  |
|                  | <b>£ 000</b> | <b>£ 000</b> | <b>£ 000</b>   | <b>£ 000</b> |
| Accrued expenses | 161,206      | 106,441      | 16             | 5            |

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.

#### 18 Capital Commitments

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £1,282,734,533 (2021 - £1,660,070,034).

|                                 | <b>2022</b>  | <b>2021</b>  |
|---------------------------------|--------------|--------------|
|                                 | <b>£ 000</b> | <b>£ 000</b> |
| Contracted but not provided for | 1,282,735    | 1,660,070    |

## **Seagreen Holdco 1 Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

#### **19 Derivatives held for risk management and hedge accounting**

##### **Hedge accounting**

##### **Interest rate risk**

Interest rate risk derives from the Company's exposure to changes in value of an asset or liability or future cash flows through changes in interest rates. The Company's policy to manage this risk was at Financial Close, to enter into interest rate swaps in respect of all loans entered into at Financial Close.

##### **Foreign exchange risk**

Foreign exchange risk derives from underlying costs in foreign exchange on the various contracts. The Company'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 2022.

##### **Liquidity risk**

Liquidity risk derives from the risk the Company 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 Company entered into financing arrangements with shareholders and external lenders for total funding sufficient 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:

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 19 Derivatives held for risk management and hedge accounting (continued)

The amount relating to items designated as hedging instruments and hedge ineffectiveness in 2022 were:

| Hedging instrument                           | Carrying<br>value<br>£ 000 | 1 year or less<br>£ 000 | 1 to 2 years<br>£ 000 | 2 to 5 years<br>£ 000 | More than 5<br>years<br>£ 000 |
|----------------------------------------------|----------------------------|-------------------------|-----------------------|-----------------------|-------------------------------|
| <b>Derivative Liabilities</b>                |                            |                         |                       |                       |                               |
| <i>Foreign Currency risk</i>                 |                            |                         |                       |                       |                               |
| Forward contracts used for hedging           | (13,026)                   | (13,026)                | -                     | -                     | -                             |
| <i>Interest rate risk</i>                    |                            |                         |                       |                       |                               |
| Interest rate swaps used for hedging         | 101,471                    | 5,713                   | 5,713                 | 17,139                | 72,906                        |
| <b>Total Derivatives</b>                     | 88,445                     | (7,313)                 | 5,713                 | 17,139                | 72,906                        |
| <b>Non-Derivative Liabilities</b>            |                            |                         |                       |                       |                               |
| Commercial Generation Facility               | (165,394)                  |                         | (1,800)               | (15,289)              | (148,305)                     |
| Generation Revolving Credit Facility         | -                          | -                       | -                     | -                     | -                             |
| Commercial Generation Facility (ECA Covered) | (434,000)                  |                         | (4,724)               | (40,118)              | (389,158)                     |
| Transmission Facilities                      | (461,248)                  | -                       | (461,248)             | -                     | -                             |
| Mezzanine Facility                           | (95,334)                   |                         | (1,605)               | (15,515)              | (78,214)                      |
| VAT Facility                                 | (8,503)                    | (8,503)                 | -                     | -                     | -                             |
| Equity Support                               | (631)                      | (631)                   | -                     | -                     | -                             |
| Holdco Covered Loan                          | (493,607)                  | -                       | -                     | -                     | (493,607)                     |
| 2.3% Shareholder Loans                       | (513,490)                  | -                       | -                     | -                     | (513,490)                     |
| <b>Total non-derivatives</b>                 | (2,172,207)                | (9,134)                 | (469,377)             | (70,922)              | (1,622,774)                   |
| <b>Net Total</b>                             | (2,083,762)                | (16,447)                | (463,664)             | (53,783)              | (1,549,868)                   |

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 20 Related party transactions

|                                      | Purchases     | Credit support costs charged | Payables outstanding | Interest charged on loans from | Loans received from | Shares paid up to |
|--------------------------------------|---------------|------------------------------|----------------------|--------------------------------|---------------------|-------------------|
|                                      | 2022          | 2022                         | 2022                 | 2022                           | 2022                | 2022              |
|                                      | £ 000         | £ 000                        | £ 000                | £ 000                          | £ 000               | £ 000             |
| SSE Renewables Services (UK) Limited | 17,590        | -                            | 4,702                | 27,765                         | 473,051             | -                 |
| TotalEnergies Holdings               | -             | 6,266                        | -                    | -                              | 492,360             | -                 |
| SSE Plc                              | -             | 6,020                        | -                    | -                              | -                   | -                 |
|                                      | <u>17,590</u> | <u>12,286</u>                | <u>4,702</u>         | <u>27,765</u>                  | <u>965,411</u>      | <u>-</u>          |

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 2022 the Company was charged £17.6m by SSE Renewables Services (UK) Limited in respect of these costs. At the year end there were payables outstanding of £4.7m 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 SSE plc charged £6.0m. There was £0.3m outstanding in respect of this at the balance sheet date. Similarly, TotalEnergies Holding's charged £6.3m in relation to credit support fees with £0.3m outstanding at the balance sheet date.

#### Shareholder loans

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

#### Trade and other payables

Included within trade and other payables is £150 (2021: £200) payable to subsidiary undertakings for share capital.

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



## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 21 Fair values

The fair values of the Company'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, trade and other payables and provisions, all of which are disclosed separately.

|                             | 2022<br>£ 000 | 2021<br>£ 000 |
|-----------------------------|---------------|---------------|
| Trade and other receivables | 7,628         | 7,081         |
| Cash and cash equivalents   | 73,714        | 49,975        |
|                             | <u>81,342</u> | <u>57,056</u> |

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.

#### 22 Other provisions

##### Group

|                  | Decommissioning<br>£ 000 | Restructuring<br>£ 000 | Contracting<br>£ 000 | Total<br>£ 000 |
|------------------|--------------------------|------------------------|----------------------|----------------|
| At 1 April 2021  | -                        | -                      | -                    | -              |
| Additions        | 23,406                   | -                      | -                    | 23,406         |
| At 31 March 2022 | 23,406                   | -                      | -                    | 23,406         |

##### Company

|                  | Decommissioning<br>£ 000 | Restructuring<br>£ 000 | Contracting<br>£ 000 | Total<br>£ 000 |
|------------------|--------------------------|------------------------|----------------------|----------------|
| At 1 April 2021  | -                        | -                      | -                    | -              |
| At 31 March 2022 | 23,406                   | -                      | -                    | 23,406         |

## Seagreen Holdco 1 Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 22 Other provisions (continued)

##### *Decommissioning provisions*

In accordance with the company's accounting policy a provision has been made for the decommissioning of the company's wind farms. The decommissioning provision recognised as at 31 March 2022 is based on 21 turbines being installed at the reporting date. The decommissioning provision will significantly increase over the next 12 to 18 months when all 114 turbines are installed. At this point, sensitivity analysis will be carried out. A discount rate of 1% 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.

#### 23 Parent and ultimate parent undertaking

Seagreen Holdco 1 Limited is a joint venture between SSE Renewables Services (UK) Limited (49%) and TotalEnergies Renewables Seagreen Holdco Limited (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

Total SE:

Tour Cbx 1 Ple des Reflets 92400 Courbevoie

#### 24 Post balance sheet events

On 22<sup>nd</sup> August 2022 the company achieved first power generation from the offshore windfarm with the first turbine of a total of 114 was commissioned.

On 17th 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.