Registered No. 04418909

Annual Report and Financial Statements

Dudgeon Offshore Wind Limited

For the year ended 31 December 2024

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Dudgeon Offshore Wind Limited
COMPANY INFORMATION

DIRECTORS

A Alnaqbi	(resigned 19 July 2024)
D Choi Tat Man	
M A El Ramahi	(resigned 19 July 2024)
L Gao	
H Al Meer	(appointed 19 July 2024)
J Brewster	(appointed 19 July 2024)
T Rodrigues Moreira	(appointed 19 July 2024)
K Hajiyeva	(resigned 1 January 2024)
A Opaker	
Q Peng	(resigned 20 December 2024)
M Read	(appointed 1 January 2024)
T Ulla	
Z Wang	(appointed 20 December 2024)

SECRETARY

Mitre Secretaries Limited	(resigned 30 April 2024)
I Nogueira	(appointed 1 May 2024)

AUDITOR

Grant Thornton UK LLP
101 Cambridge Science Park
Milton Road
Cambridge
CB4 0FY

REGISTERED OFFICE

1 Kingdom Street
London
W2 6BD

The directors of Dudgeon Offshore Wind Limited (the "Company") present their strategic report for the Company for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the production of offshore wind energy.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The wind farm is located in the Greater Wash 27 km off the east coast of England. The wind farm consists of sixty-seven, 6 MW turbines giving an installed capacity of 402 MW.

Dudgeon continues to generate electricity in line with expectation, and has had another successful year of operations, without any significant HSE events to report. Dudgeon started a major maintenance campaign in December and completed it in January 2025. The project has no major capital commitments going forward.

The results for the year are presented in the Profit and loss account on page 14.

KEY PERFORMANCE INDICATORS (KPI'S)

FINANCIALS	**2024**	**2023**	**Deviation**
Turnover (£ million)	333.8	297.7	12%
Profit tax (£ million)	163.7	144.2	14%

Turnover was positively impacted by higher production for the year, with positive pricing mix between "Contract for Difference Income" and "Power Purchase Agreement Income". Profit after tax was above budget due to higher revenues and lower operating costs than planned.

As expected, there are no significant movements in the company's net assets other than the ongoing depreciation of tangible fixed assets and scheduled repayments of the external loans and bonds.

SAFETY AND SUSTAINABILITY (SSU)

Safety is paramount in the energy sector and therefore the Company has specific SSU KPIs including:

Total recorded injury frequency (TRIF)
Lost time incident frequency (LTI)
Serious incident frequency (SIF)
Reportable environmental incidents in year
Falling object frequency

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of risks that the Company faces in the course of conducting its business operations. Although not exhaustive, the following list highlights the principal risks and uncertainties.

SSU risk

The nature of operations exposes the Company to safety and sustainability (SSU) risks. These risks relate to operation and maintenance activities offshore which involve transport and access to wind turbine generators (WTGs) and substations, work on high voltage systems, operation of marine vessels and lifting activities associated with the repair and maintenance of offshore installations. The organisation under the operatorship of Equinor has been structured and integrated to address the nature of activities with appropriate procedures in place to handle these risks and to meet the requirements of UK legislation.

Wind speed risk

The risk of lower than anticipated production owing to the unpredictable nature of wind as a resource is mitigated by appropriate planning processes to ensure that Wind Turbine Generator (WTG) availability for production is maximised during periods of high mean wind speed. To further facilitate this, extensive experience is also gained from the operational experience of Equinor (the operator).

Legislative risk

There is a risk of adverse legislation changes against the Company impacting its ability to make returns on the investment made. UK Government support contributes significantly towards profitability. The risk is managed by close monitoring of, and involvement in, the developments in applicable renewable regimes in the UK.

Asset failure risk

The failure of one or more turbines or part of the transmission assets could lead to high rectification costs, loss of revenue and impact the Company's ability to trade. To reduce this risk, the Company routinely carries out maintenance. In the event of such failure, the Company has insurance policies to cover loss from property damage and business interruptions.

Price risk

Due to the nature of government support (see note 2), the company's income stream is protected from changes in energy prices.

STATEMENT OF HOW DIRECTORS HAVE COMPLIED WITH THEIR DUTY TO HAVE REGARD TO THE MATTERS IN SECTION 172(1) OF THE COMPANIES ACT 2006 'DUTY TO PROMOTE THE SUCCESS OF THE COMPANY'

The directors of Dudgeon Offshore Wind Limited (Dudgeon) comply with their duties under section 172 (1) Companies Act 2006 by overseeing the operations of the company and how the company's actions affect stakeholders.

Shareholders

Dudgeon is a wholly owned subsidiary of Dudgeon Holdings II Limited, which in turn is a wholly owned subsidiary of Dudgeon Holdings Limited (DHL). DHL is jointly controlled by its shareholders, Equinor New Energy Limited, CRC New Energy (UK) Limited and Masdar Offshore Wind UK Limited.

The joint shareholders' strategy is for excess cash to be distributed as dividends whenever possible. Before dividend distributions are made or proposed, the board reviews management accounts and cash flow projections to consider the effect the distribution would have on the financial position of the Company including its ability to pay debts as they fall due.

Operations are managed by Equinor ASA group ("Equinor"). Dudgeon follows Equinor's processes and controls.

The Board of Directors

The Company's board consists of representatives of all joint shareholders, which ensures that the board acts fairly between the members of the company.

The board has 4 scheduled meetings each year. Each of these meetings contains both an SSU *(safety and sustainability) update and a business update from the plant manager.*

On an annual basis, KPIs, the annual business plan and budget are considered and approved.

The board is notified of any expenditure between £250k and £500k. Any expenditure over £500k requires board approval.

Workforce

Dudgeon does not have any employees. Its workforce consists of Equinor employees in addition to third party contractors.

Safety is paramount in the energy sector and Equinor's "I am safety" initiative is the foundation of its effort to enhance its safety culture and drive improvements in safety and security behaviour. The "I am safety" expectations represent fundamental traits of a strong safety culture. These expectations support and strengthen ongoing initiatives to continuously improve safety and security and contribute to a consistent way of working. These expectations are applicable to all Equinor employees and sub-contractors.

SSU incidents are brought to the attention of the board and strategies put in place to constantly improve safety behaviour.

Equinor's code of conduct describes Equinor's code of business practice and the requirements for expected behaviour. The Code of Conduct applies to Equinor's employees and hired personnel.

Equinor Ethics Helpline
Equinor employees and anyone that interacts with Equinor has the right to, and are encouraged to, raise concerns when there is any suspected or potential breach of law or company policies including the Code of Conduct. For this purpose, Equinor maintains the Ethics Helpline, a 24-hour phone service and portal. The Ethics Helpline ensures confidentiality and protection of the rights of both the caller and the potential subject of a report.

Local Communities

Dudgeon follows the DESNZ (Department for Energy Security & Net Zero) guidance on Community Benefits from Onshore Wind Developments.

During the lifetime of the operation of its offshore wind farm, Dudgeon will pay £100,000 per annum into its Community Fund, and this money will be used to provide grants to support education initiatives for the benefit of young people living in the Great Yarmouth, Breckland and North Norfolk districts of Norfolk.

The Dudgeon Community Fund is being administered by Norfolk Community Foundation, and prospective applicants can find out more about the fund criteria and obtain the Expression of Interest Form on their website
https://www.norfolkfoundation.com/funding-support/grants/groups/dudgeon-community-fund/

Environment

The company's quarterly board meetings always include an SSU update which includes any relevant environmental issues.

The company adheres to all environmental legislation required as a windfarm operator.

Suppliers

Dudgeon is committed to using suppliers who operate consistently in accordance with its values, and who maintain high standards for SSU, ethics and corporate social responsibility.

Dudgeon payment practice reports for 2024 are available at www.gov.uk/check-when-businesses-pay-invoices.

By order of the Board of Directors

Anders Opaker
Anders Opaker
Date: 20/6/2025

1 Kingdom Street
London
W2 6BD

The directors present their report for the year ended 31 December 2024.

DIRECTORS' NAMES AND AUDIT DISCLOSURES

The directors who served the Company during the year and and changes since 31 December 2024 are listed on page 2.

During the period under review, the shareholders as employers of the officers of the Company had in place indemnity provisions in favor of their respective directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

The directors who held office at the date of approval of this Directors' Report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

FINANCIAL INSTRUMENT RISKS

The Company's activities expose it to a variety of financial risks, such as foreign exchange, credit and liquidity risk.

FOREIGN EXCHANGE RISK

The Company is exposed to foreign exchange risk arising from currency exposures. Foreign exchange risk arises from commercial transactions and recognised assets and liabilities. The foreign exchange risk is minimal as most of the company's transactions are in pound sterling. The Company does not use derivative instruments to manage its foreign exchange risk.

CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is potentially exposed to credit risk through trade and other receivables due. These balances are principally with related parties, which the directors believe limits the risk of non-payment.

LIQUIDITY RISK

Due to the revenue receivable from power generation at the wind farm, the Company is expected to remain cash-generative for the foreseeable future.

The Company manages its liquidity to ensure that it will be able to meet liabilities as they become due while maximising the return to shareholders.

INTEREST RATE RISK

A change in interest rate could significantly impact the amount of interest paid on loan financing. The company has taken out interest rate swaps to mitigate the effect.

POST BALANCE SHEET EVENTS

There are no post balance events to report.

FUTURE DEVELOPMENTS

Future developments are included in the business review in the strategic report.

DIVIDENDS

Interim dividends of 32p per share were paid during the year (2023: 21p per share), with a further dividend of 16p (2023: 11p per share) proposed.

STATEMENT SUMMARISING HOW DIRECTORS HAVE ENGAGED WITH STAKEHOLDERS

A statement summarising how directors have engaged with suppliers, customers and others in a business relationship is included within the Section 172 statement in the strategic report.

STREAMLINED ENERGY AND CARBON REPORTING

The Company is fully consolidated in the Dudgeon Holdings Limited Group accounts which contains streamlined energy and carbon reporting, therefore no disclosures are included at the Company level here.

By order of the Board of Directors

Anders Opaker
Anders Opaker

Date: 20/6/2025

1 Kingdom Street
W2 6BD

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

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

Date: 20/6/2025

Anders Opaker

Anders Opaker

Opinion

We have audited the financial statements of Dudgeon Offshore Wind Limited (the 'company') for the year ended 31 December 2024, which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.
In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis and the market price of energy, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to

continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- *We obtained an understanding of the legal ad regulatory frameworks that are applicable to the* company and the industry in which they operate. We determined that the following laws and regulations were most significant: Companies Act 2006, Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In addition, we concluded that there are certain laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements including those laws and regulations relating to taxation laws;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and of the company's inhouse legal counsel. We corroborated our enquiries through our review of board minutes;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
    - Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
    - Challenging assumptions and judgements made by management in its significant accounting estimates; and
    - Identifying and testing journal entries that have higher risk based on our assessment of the control environment and on defined criteria.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the collective competence and capabilities of the engagement team included consideration of their:
    - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training;
    - knowledge of the industry in which the client operates; and
    - understanding of the legal and regulatory requirements specific to the company.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Grant Thornton UK LLP

Robert Harris BA BFP ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
Date: 20/6/2025

Dudgeon Offshore Wind Limited

PROFIT AND LOSS ACCOUNTS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Note	**2024**	2023
		£'000	£'000
Turnover	5	**333,782**	297,694
Cost of Sales		**(78,981)**	(78,700)
Gross profit		**254,801**	218,994
Administrative expenses		**(5,805)**	(4,846)
Other operating income		**4,051**	3,022
Operating profit	6	**253,047**	217,170
Interest receivable and similar income	7	**24,767**	27,811
Interest payable and similar charges	8	**(45,913)**	(47,425)
Fair value movement on financial instruments		**(5,171)**	(7,824)
Profit before tax		**226,730**	189,732
Tax on profit	9	**(63,039)**	(45,520)
Profit for the financial year after taxation		**163,691**	144,212

All operations are derived from continuing operations.

There are no other gains or losses in the period other than the profit for the period.

The profit and loss account is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 17 to 32.

BALANCE SHEET
AT 31 December 2024

	Note	2024 £'000	2023 £'000
Fixed Assets			
Tangible Assets	10	**943,957**	996,368
Current assets			
Debtors	11	**212,704**	285,156
Cash at bank and in hand		**57,663**	39,292
		270,367	324,448
Current liabilities			
Creditors: amounts falling due within one year	12	**(163,932)**	(154,002)
Net current assets		**106,435**	170,446
Total assets less current liabilities		**1,050,392**	1,166,814
Creditors: amounts falling due after more than one year	14	**(937,315)**	(1,043,943)
Provisions	15	**(96,068)**	(99,553)
Net Assets		**17,009**	23,318
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account		**17,009**	23,318
Shareholder's Funds		**17,009**	23,318

The balance sheet is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 17 to 32.

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

Date: 20/6/2025

A Opaker - Director Anders Opaker

Dudgeon Offshore Wind Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Share Capital	Profit & Loss Account	Total Shareholders' Funds
	£'000	**£'000**	**£'000**
At 1 January 2023	–	4,107	4,107
Profit for the year	–	144,212	144,212
Partial write off loan to parent company	–	(65,000)	(65,000)
Dividend distribution	–	(60,001)	(60,001)
At 31 December 2023	–	23,318	23,318
At 1 January 2024	–	23,318	23,318
Profit for the year	–	163,691	163,691
Partial write off loan to parent company	–	(80,000)	(80,000)
Dividend distribution	–	(90,000)	(90,000)
At 31 December 2024	**–**	**17,009**	**17,009**

The statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 17 to 32.

1 Corporate Information

Dudgeon Offshore Wind Limited (the "Company") is a limited company registered in England and Wales with registered number 04418909.

The Company is incorporated and domiciled in the United Kingdom. The address of the Company's registered office is1 Kingdom Street, London W2 6BD.

The Company is a wholly owned subsidiary of Dudgeon Holdings II Limited.

2 Accounting Policies

2.1 Basis of Preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102, the financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS102").

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £ 1,000

The financial statements are prepared under the historical cost accounting convention, except for the measurement of derivatives at fair value.

As a fully owned subsidiary of Dudgeon Holdings Limited, the company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Related party transactions entered into between members of the Dudgeon Holdings Limited group, where subsidiaries party to the transaction are wholly owned by Dudgeon Holdings Limited.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

2.2 Going Concern

The Company's going concern assumption is based on the outcome of modelled scenarios that show the Company's ability to withstand market disruption arising from energy market volatility and unplanned production outages.

The Company is protected against any possible pricing volatility as a result of lower power demands due to the renewable subsidy income received.

The Company has modelled various scenarios to determine the impact of:

1. base case
2. reduced production volumes as a result of an unplanned outage, and
3. a potential reduction in market price to £20/MWh

Based on these scenarios and the resources available to the Company, the directors believe the Company has more than sufficient liquidity to manage through a range of different cash flow scenarios for at least twelve months from the date of their approval of the financial statements. Given the Company's strong liquidity position and the discretionary nature of dividend payments, the directors adopt the going concern basis in preparing the financial statements.

2.3 Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable and is derived from the Company's principal activity which is the generation of electricity from wind turbines.

Revenue is derived from the sale of electricity.under a power purchase agreement (PPA) with Danske Commodities AS and Statkraft Market GmbH, from Renewable Energy Guarantees of Orifin (REGO's) and from a contract for difference (CfD) contract with Low Carbon Contract Company (LCCC). Under this contract, Dudgeon Offshore Wind Limited is guaranteed a pre-agreed price for electricity generated under the scheme for a period of 15 years. Under the CfD, income is received when power prices are below the strike price. Where power prices are above the strike price, a rebate is due and this is netted against income

Revenue is recognised at the date of production. Any revenue which has been recognised but not yet invoiced is shown as accrued income on the balance sheet.

There is no reliable forecast for future REGO receipts and therefore no accrual has been made.

2.4 Research and Development

Research expenditure is expensed as incurred.

Development costs are expensed to the profit and loss account until the point at which a project is sanctioned, and resources required to complete the project are committed. Development costs incurred after this point are capitalised.

2.5 Foreign Currency translation

The functional currency for the Company is pounds sterling and is determined by the currency of the primary economic environment in which it operates. This is also the presentation currency of the Company.

Transactions denominated in foreign currencies are initially recorded in the functional currency using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-measured at the rate of exchange prevailing at the balance sheet date. Exchange gains and losses are taken to the profit and loss account. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are not re-translated.

2.6 Finance Income and Costs

All borrowing costs are recognised within interest payable and similar charges in the profit and loss account in the period in which they are incurred. These costs include interest expense calculated using the effective interest method, finance charges in respect of finance leases and the unwinding of the discount factor on long term liabilities.

Interest receivable and similar income is recognised in the profit and loss account using the effective interest method.

2.7 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous periods.

Deferred tax is the tax expected to be payable or recoverable in respect of all timing differences between taxable profits and total comprehensive income at the reporting date. Deferred tax liabilities are generally recognised for all taxable timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible timing differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

2.8 Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Expenditure on tangible fixed assets is capitalised in the month in which it is incurred. The Company undertakes a review for impairment of the costs capitalised if events or changes in circumstances indicate that the carrying amount may not be recoverable. To the extent that the carrying amount exceeds the recoverable amount that is the higher of net realisable value and value in use, the fixed asset costs are written down to their recoverable amount.

Depreciation is calculated so as to write off the cost of an asset less its estimated residual value on a straight line basis over the useful economic life of the asset. Expected useful life is estimated based on experience, historical data and accounting judgments, and is adjusted in the event of any changes to such estimates. The evaluation of residual values is also subject to estimates.

Capitalised decommissioning costs and wind farm assets are depreciated on a straight line basis over their estimated useful economic lives of 27 years.

Fixed asset additions and major component replacements are capitalised at time of installation and are depreciated over the remaining depreciation life of the full wind farm. Major components that have been replaced are derecognised on the assumption that the cost of the disposal is equivalent to the replacement component cost with cumulative depreciation reflecting total charged to date in respect of that specific asset cost. The net book value of the disposal is charged to the income statement as a loss on disposal.

2.9 Basic Financial Instruments

2.9.1 Trade and Other Debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

2.9.2 Trade and Other Creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

2.9.3 Interest-bearing Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

2.9.4 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.9.5 Loans and Bonds

Loans and bonds are initially measured at the transaction price, adjusted for transaction costs. They are subsequently measured at amortised cost.

2.10 Other Financial Instruments

Derivatives

Interest rate swaps are initially recognised at fair value on the date the contract is entered into and are subsequently re-measured at their fair value at each reporting date. Changes in the fair value of derivatives are recognised in the profit and loss account.

A Mark-to-Model methodology is used to value the interest rate swaps. This process involves applying appropriate yield curves to: a) generate future cash flows for the floating swap component, and b) discount the future cash flows for both components.

2.11 Decommissioning Provision

A decommissioning provision arises when the legal obligation to remove the wind farm installation arises. The amount recognised is the estimated future expenditure determined in accordance with local conditions and requirements, inflated up to the expected date of decommissioning, and discounted to the balance sheet date at a pre-tax rate reflecting the time value of money. A finance cost is recognised in the profit and loss account as the discount factor unwinds.

A corresponding tangible fixed asset is also created of an amount equal to the provision. This is subsequently depreciated on a straight line basis over 27 years in line with other wind farm assets. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the fixed asset.

2.12 Leases

Operating leases are expensed to the profit and loss account on a straight line basis over the term of the lease.

Assets held under finance leases are capitalised in the balance sheet and are depreciated over the primary lease term. The corresponding lease commitment is recognised in the balance sheet as a liability. The interest element of the rental obligation is included in interest payable and similar charges in the profit and loss account.

Profit on sale-and-leaseback transactions is credited to the profit and loss account over the term of the lease. This applies to the sale of the Company's transmission assets.

3 Accounting Estimates and Judgements

Preparation of the financial statements requires management to make significant judgements and estimates.

3.1 Judgements

3.1.1 Tangible Fixed Assets

The carrying value of tangible fixed assets is a significant area of judgement, principally around any indication of impairment and the depreciation policy adopted.

3.1.2 Deferred Tax

Judgement is exercised in the recognition of a deferred tax asset, requiring future taxable profits to realise the asset.

Deferred tax assets and liabilities are recognised at the rates expected to apply to the reversal of the related differences. Any changes in tax rates prior to the reversal of the related differences will result in a change of estimate.

3.2 Estimates

3.2.1 Decommissioning

The provision recognised regarding future decommissioning costs is the present value of expected future costs. The company makes estimates regarding the amount of the future expenditure.

The present value calculation of the future liability requires the company to estimate future inflation rates and the rate used to discount the liability back to present value.

A small change in estimated discount factor and inflation rate can have a significant impact on the present value of the liability presented on the company's balance sheet.

Details can be found in note 15.

4 Staff and Directors' Emoluments

The Company had no employees during either year. Staff engaged in operation and administration of the Company during the financial year were employed by the Equinor group under a Services agreement.

The directors are employed by the shareholder entities in respect of whom no recharge of costs was made to the Company for the services provided.

5 Turnover

Turnover is in relation to income from generation of wind-powered electricity, and is stated net of VAT.

5.1 Turnover by activity

	2024	2023
	£'000	£'000
Sales of power	**91,825**	122,395
Net income CfD	**237,138**	174,822
Other income	**4,819**	477
	333,782	297,694

5.2 Turnover by Geographical Market

	2024	2023
	£'000	£'000
Denmark	**65,324**	88,889
Germany	**31,099**	38,690
UK	**237,359**	170,115
Other	**333,782**	297,694

6 Operating Profit

The operating profit is stated after charging / (crediting):

	2024	2023
	£'000	£'000
Foreign exchange loss/(gain)	**99**	(34)
Depreciation	**52,564**	52,596
Auditor's remuneration - audit	**53**	48
Operating lease expense	**8,903**	8,885

7 Interest Receivable and Similar Income

	2024	2023
	£'000	£'000
Interest receivable from related parties	**13,538**	16,363
Bank interest receivable	**3,889**	2,078
Interest on derivatives	**7,340**	9,370
	24,767	27,811

8 Interest Payable and Similar Charges

	2024	2023
	£'000	£'000
Bank and similar charges	**17**	16
Amortisation of facility fees	**853**	853
Interest on long term loans and bonds	**29,877**	33,813
Finance cost on unwinding of discount factor on long term liabilities	**15,166**	12,743
	45,913	47,425

9 Tax

9.1 Tax on Profit

	2024	2023
a) Tax on profit:	**£'000**	£'000
Current tax		
Corporation tax on profit for the period 25.00% (2023 - 23.50%)	**57,582**	45,014
Prior year adjustments	**128**	–
Total current tax:	**57,710**	45,014
Deferred tax:		
Current year movement	**(1,220)**	506
Valuation allowance	**15,266**	–
Other prior year adjustments	**(8,717)**	–
Total deferred tax	**5,329**	506
Total tax charge (note 9.2)	**63,039**	45,520

9 Tax (continued)

9.2 Factors affecting current tax charge

The tax assessed on the profit for the year is higher than the standard rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are reconciled below:

	2024	2023
	£'000	**£'000**
Profit before taxation	**226,730**	189,732
Corporation tax in the UK of 25.00% (2023 - 23.50%)	**56,683**	44,587
Disallowable decommissioning costs	**-**	1,114
Corporation tax rate changes	**-**	31
Other permanent difference	**(320)**	(212)
Other prior year adjustments to current tax	**128**	-
Effects of deferred tax asset not recognised	**(2,203)**	-
Prior year adjustment to deferred tax	**8,751**	-
Total tax charge	**63,039**	45,520

9.3 Deferred Tax

c) Deferred tax:

Deferred tax is shown on the balance sheet within:

	2024	2023
	£'000	£'000
Provisions	**(35,004)**	(29,676)

	2024	2023
The breakdown of deferred tax on the balance sheet is:	**£'000**	**£'000**
Accelerated capital allowance	**(32,558)**	(27,212)
Capitalised interest	**(7,998)**	(8,417)
Deferred profit on disposal of transmission assets	**5,552**	5,953
	(35,004)	(29,676)

A deferred tax asset of £15,266k (2023 £8,614k) relating to decommissioning costs has not been recognised as it is not expected to be realised.

10 Tangible Fixed Assets

	Capitalised decommissioning costs	Leased transmission assets	Wind farm assets	Total
	£'000	£'000	£'000	£'000
COST				
At 1 January 2024	55,576	297,927	972,348	**1,325,851**
Additions	–	–	11,906	**11,906**
Movements due to change in assumptions	(11,753)		–	**(11,753)**
At 31 December 2024	43,823	297,927	984,254	**1,326,004**
DEPRECIATION				
At 1 January 2024	20,158	76,484	232,841	**329,483**
Charge for the year	1,492	13,685	37,387	**52,564**
At 31 December 2024	21,650	90,169	270,228	**382,047**
NET BOOK VALUE				
At 31 December 2024	**22,173**	**207,758**	**714,026**	**943,957**
At 31 December 2023	35,418	221,443	739,507	996,368

The aggregate amount of capitalised interest to 31 December 2024 was £32,656 k (2023: £34,331k). Further capitalisation of interest ceased over the period of commencement of generation.

11 Debtors

	2024	2023
	£'000	£'000
Trade debtors - external	**14,499**	10,783
Trade debtors - related parties	**310**	192
Prepayments and accrued income	**36,047**	44,858
Corporation tax	**12,592**	9,405
VAT recoverable	**874**	381
Other debtors	**147**	147
Loan to parent company (due after more than one year)	**144,280**	210,264
Other financial asset (see note 13)	**3,955**	9,126
	212,704	285,156

The loan to parent company of £144,280k (2023: £210,264k) is due after more than one year.

12 Creditors: amount falling due within one year

	2024	2023
	£'000	£'000
Trade creditors	**486**	5,894
Amount owed to parent company	**12,956**	9,631
Loans - net of unamortised set up costs	**83,142**	88,957
Bonds	**12,918**	12,920
Accruals and deferred income	**40,637**	23,000
Deferred profit on disposal	**3,022**	3,022
Amounts owed to related parties	**1,457**	865
Long term lease on transmission assets (See note 19)	**9,314**	9,713
	163,932	154,002

13 Other Financial Assets

	2024	2023
	£'000	£'000
Fair value of interest rate swaps with third parties	**3,955**	9,126

14 Creditors: amount falling due after more than one year

	2024	2023
	£'000	£'000
Loans - net of unamortised set up costs	**41,891**	124,175
Bonds	**624,458**	637,377
Deferred profit on disposal	**38,900**	41,922
Long term lease on transmission assets (See note 19)	**232,066**	240,469
	937,315	1,043,943

Following the completion of construction, the company had a legal obligation to sell the transmission assets at cost to the Offshore Transmission Owner (OFTO). The sale was accounted for as a sale and leaseback arrangement with the profit on sale being released to the profit and loss account over the 20 year life of the lease.

In December 2018, the Company issued £706,000k Guaranteed Senior Secured PP Notes (PP Notes).

Details of the PP Notes as follows:

Facility Start Date:	18 December 2018
Facility End Date:	15 June 2032
Interest Rate:	2.74%
Repayment:	The PP Notes are being repaid in half yearly installments which started in June 2019 and end on 15 June 2026

In December 2018, the Group entered into a Commercial Facilities Agreement, made up of a Term Loan Facility (TLF), a Debt Service Reserve Facility (DSRF) and a Revolving Working Capital Facility (RWCF) with a consortium of institutions. According to the terms of the agreement, the Company can borrow a total amount up to £558,000k on the TLF, up to £61,000k on the DSRF and up to £83,400k on the RWCF from its lenders. The amounts outstanding at 31 December 2024 were; TLF £126,889k (2023: £205,846k); RWCF nil (2023: £10,000k); DSRF nil (2023: nil).

Details of the Commercial Facilities Agreement are as follows:

Facility Start Date:	18 December 2018
Facility End Date:	TLF: 15 June 2026 DSRF: 15 June 2032 RWCF: 15 June 2032
Interest Rate:	The aggregate of: (i) The Margin; and (ii) SONIA + CAS, provided that, if the aggregate of the two is less than zero, the rate of interest shall be deemed to be zero.

Margin:	(a) for the TLF: (i) from the date of the agreement up to (and including) 15 December 2024: 0.9% (ii) from 16 December 2024: 1.1% (b) for the DSRF: (i) from the date of the agreement up to (and including) 15 December 2024: 0.9% (ii) from 16 December 2024 up to (and including) 15 June 2026: 1.1% (iii) from 16 June 2026 up to (and including) 15 December 2029: 1.3% (iv) from 16 December 2029: 1.4% (b) for the RWCF: (i) from the date of the agreement up to (and including) 15 December 2024: 0.9% (ii) from 16 December 2024 up to (and including) 15 June 2026: 1.1% (iii) from 16 June 2026 up to (and including) 15 December 2029: 1.3% (iv) from 16 December 2029: 1.4%
Repayment:	The TLF will be repaid in half yearly installments starting in June 2019 and ending on 15 June 2026. In the event of the group drawing down on the DSR or RWC facilities, the repayment terms will be specified at the time of drawdown. All outstanding amounts under these facilities shall be repaid in full on 15 June 2032.

The PP Notes are supported by an annual credit rating review, currently the Rating for Dudgeon Offshore Wind Limited is A- Stable (Fitch, published 18 October, 2024), A Security Inter-creditor Trust Deed (STID) is also in place.

15 Provisions

	Deferred Tax Liability	Decommissioning provision	Total Provisions
	£'000	£'000	£'000
At 1 January 2024	29,676	69,877	99,553
Movement in the year	(1,221)	–	(1,221)
Prior year adjustment	(8,717)	–	(8,717)
Valuation allowance	15,266	–	15,266
Finance charge	–	2,939	2,939
Change in assumptions	–	(11,753)	(11,753)
At 31 December 2024	**35,004**	**61,063**	**96,067**

The decommissioning provision is the present value of costs expected to be incurred in decommissioning the wind farm at the end of its 27 year life. This provision is based on estimates of costs which will not be incurred for 20 years and therefore there is a risk that these cost estimates are not accurate. The costs are inflated up to the expected decommissioning date and then discounted back to present value at a pre-tax rate of 5.07% (2023: 4.09%) that reflects current market assessments of the time value of money. Changes in inflation, pre-tax rate and cost estimates are specified in "Movement due to changes in assumptions".

The provisions are due as follows:

Amounts due in less than one year

	2024	2023
	£'000	£'000
Deferred tax/(Deferred tax assets)	**1,007**	18

	2024	2023
	£'000	£'000
Deferred tax	**33,997**	29,658
Decommissioning provision	**61,063**	69,877
	95,060	99,535

16 Share Capital

	2024
	£'000
At 1 January 2024 and 31 December 2024 - 188,300,000 at £0.000001 each	–
	–

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

17 Related Parties

During the year, the Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into and balances outstanding at 31 December are as follows:

		Purchases from related party	Sales to related parties	Amounts owed by related party	Amounts owed to related party
2024	**Equinor ASA**	**660**			**13**
2023	Equinor ASA	532		–	28
2024	**Danske Commodities AS**	**–**	**65,324**	**3**	**–**
2023	Danske Commodities AS	–	88,889	–	26
2024	**Equinor UK Ltd**	**65**		**132**	**899**
2023	Equinor UK Ltd	71		93	547
2024	**Equinor Production (UK) Limited**	**81**			**21**
2023	Equinor Production (UK) Limited	56		–	10
2024	**Hywind (Scotland) Limited**	**–**		**25**	**–**
2023	Hywind (Scotland) Limited	–		15	–
2024	**Scira Offshore Energy Limited**	**–**		**150**	**–**
2023	Scira Offshore Energy Limited	–		85	–
2024	**Equinor Energy Belgium NV**	**5**			**–**
2023	Equinor Energy Belgium NV	10			2
2024	**Equinor New Energy Limited**	**3,004**			**454**
2023	Equinor New Energy Limited	2,418		–	184
2024	**Equinor Wind Power AS**	**74**			**7**
2023	Equinor Wind Power AS	68		–	68
2024	**Equinor Energy AS**	**69**			**3**
2023	Equinor Energy AS	–			–

Dudgeon Offshore Wind Limited is a wholly owned subsidiary of Dudgeon Holdings Limited, which is a joint venture owned by Equinor New Energy Limited (35%), CRC New Energy (UK) Limited (30%) and Masdar Offshore Wind UK Limited (35%).

Danske Commodities AS, Equinor UK Limited, Equinor Energy Belgium NV, Equinor Production UK Limited and Equinor New Energy Limited are all 100% owned subsidiaries of Equinor ASA.

Equinor New Energy Limited owns 75% of the issued share capital of Hywind (Scotland) Limited.

Equinor New Energy Limited owns 40% of the issued share capital of Scira Offshore Energy Limited.

18 Capital Commitments

The Company has a commitment of £1,664k contracted for but not provided in the financial statements at 31 December 2024 (31 December 2023 : £nil.) The commitment relates to Siemens Gamesa Renewable Energy subscription.

19 Lease Commitments

Non-cancellable operating lease rentals are payable as follows:

	2024	2023
	£'000	£'000
Within 1 year	**6,007**	6,093
Within 1-5 years	**7,484**	11,961
After 5 years	**3,066**	4,131
	16,557	22,185

During the year ended 31 December 2024 £8,903k was recognised as an expense in the profit and loss account in respect of operating leases (2023 : £8,885k).
All operating leases are subject to inflationary rises. The above commitments include minimum payments on a long term lease, based on a minimum generated output as stipulated in the lease.

Non-cancellable minimum lease payments on finance leases are payable as follows:

	2024	2023
	£'000	£'000
Within 1 year	**9,314**	9,713
Within 1-5 years	**47,598**	47,467
After 5 years	**184,469**	193,002
	241,381	250,182

The above lease relates to transmission assets. The total term of this lease is 20 years, increasing annually in line with inflation.

20 Ultimate Controlling Party

Dudgeon Offshore Wind Limited is a wholly owned subsidiary of Dudgeon Holdings Limited, which is a joint venture owned by Equinor New Energy Limited (35%), CRC New Energy (UK) Limited (30%) and Masdar Offshore Wind UK Limited (35%).

Equinor New Energy Limited is a wholly owned subsidiary of Equinor ASA.

CRC New Energy (UK) Limited is a subsidiary of China Resources (Holdings) Company Limited.

Masdar Offshore Wind UK Limited is a wholly owned subsidiary of Abu Dhabi Future Energy Company PJSC; an entity jointly owned by Abu Dhabi National Oil Company (ADNOC) PJSC, Abu Dhabi National Energy Company PJSC and Mubadala Investment Company PJSC; all of whom are wholly owned by the Government of Abu Dhabi.

Dudgeon Holdings Limited is the largest and smallest group for which group financial statements are prepared. Copies of Dudgeon Holdings Limited group's financial statements are available at 1 Kingdom Street, London, W2 6BD.