Registered number: 12820057

CAR DUIBH WIND FARM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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COMPANIES HOUSE

CAR DUIBH WIND FARM LIMITED

COMPANY INFORMATION

Directors	Richard Mardon Kevin O'Donovan (Appointed on 13 March 2023) Iain Robertson (Appointed on 13 March 2023) Eivind Torblaa (Resigned on 13 March 2023) Matthew Kelly (Resigned on 13 March 2023)
Company secretary	Folasade Kafidiya-Oke
Registered number	12820057
Registered office	19th Floor 22 Bishopsgate London EC2N 4BQ United Kingdom
Independent auditors	Deloitte LLP 2 New Street Square London EC4A 3BZ United Kingdom
Bankers	Danske Bank ICB London 75 King William Street London EC4N 7DT

CAR DUIBH WIND FARM LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the audited financial statements for the year ended 31 December 2022.

Company information

Car Duibh Wind Farm Limited (the "Company") is a private company limited by shares and registered in England and Wales with registered number 12820057. The Company is incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the Company's registered office is 19th Floor, 22 Bishopsgate, London, EC2N 4BQ, United Kingdom.

The principal activities of the Company is to develop and construct a wind farm in Scotland, with the intention to divest the power plants either before, at the time of, or shortly after completion.

The immediate parent undertaking of Car Duibh Wind Farm Limited is Statkraft UK LTD, a company incorporated in the United Kingdom, with a registered office at 19th Floor, 22 Bishopsgate, London, EC2N 4BQ, United Kingdom.

Statkraft UK LTD is owned by Statkraft AS, a company incorporated in Norway, which is the smallest group consolidating these financial statements. The largest group to consolidate these financial statements is Statkraft SF, a company incorporated in Norway. Statkraft SF owns Statkraft AS and is the ultimate controlling party and parent of Car Duibh Wind Farm Limited.

Both of the group financial statements, which comply with International Financial Reporting Standards ("IFRS") and have been produced for public use, can be obtained from their registered offices which are at Lilleakerveien 6, Postboks 200, Lilleaker 0216, Oslo, Norway or www.statkraft.com.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern

The Company's business activities, together with the factors likely to affect its future development and performance are set out in the Directors' Report. The financial position of the Company is disclosed on page 11.

The Company is in a net asset position of £1,250,000 (2021: £366,000). and continues to meet day-to-day liquidity needs through its cash resources. The Directors have reviewed cash flow forecasts and projections which cover a period of at least 12 months from the date of the approval of the financial statements, which show that the Company has sufficient financial resources to continue in operation for at least the next 12 months from the date of approval of this financial statement.

The Directors also reviewed the relationship with its parent entity and the financial capability of the parent entity (who have undertaken to provide financial support to the Company to enable it to operate as a going concern and to discharge its obligations as and when they fall due).

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Future developments

Development activities for the wind farm project are currently ongoing and the wind farm is expected to become operational by Q2 2026.

Results and dividends

The loss for the year, after taxation, amounted to £117,000 (2021: loss after taxation £326,000).

The Directors do not propose a dividend to be paid in relation to the current year (2021: £nil).

Directors

The Directors who served during the year and up to the date of this report were:

Richard Mardon
Kevin O'Donovan (Appointed on 13 March 2023)
Iain Robertson (Appointed on 13 March 2023)
Eivind Torblaa (Resigned on 13 March 2023)
Matthew Kelly (Resigned on 13 March 2023)

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by Statkraft AS and was in place throughout the year for all subsidiaries. The insurance does not provide cover in the event that the Director is proved to have acted fraudulently.

Qualifying third-party indemnity provisions (as defined in section 234 of the Companies Act 2006) were in force during the year ended 31 December 2022 and remain in force.

Small company provisions

In preparing this report, the Directors have taken advantage of the exemption provided by section 414B of the Companies Act 2006 in not preparing the Strategic Report.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Policy on financial risk management

The financial risk management of the Company is detailed in note 3 to the Company's financial statements.

Charitable and political donations

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

Events after the balance sheet

There have been no subsequent events that require disclosure in these financial statements.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in accordance with Section 485 of the Companies Act 2006.

This report was approved by the Board of Directors and signed on its behalf by:

.....

Iain Robertson
Director

Date: 15/09/2023

Independent auditor's report to the members of Car Duibh Wind Farm Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Car Duibh Wind Farm Limited ('the company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- The statement of profit and loss and other comprehensive income;
- The statement of financial position;
- The statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework", (United Kingdom Generally Accepted Accounting Practice).

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This includes the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

D. Winstone

Daryl Winstone FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
15 September 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	*2021 £'000*
Administrative expenses		**(125)**	*(327)*
Operating loss	**5**	**(125)**	*(327)*
Finance income	8	**8**	*1*
Loss before taxation		**(117)**	*(326)*
Tax on loss	9	**—**	*—*
Loss after taxation		**(117)**	*(326)*
Total comprehensive losses for the year		**(117)**	*(326)*

The results for both years have been derived wholly from continuing operations.

STATEMENT OF FINANCIAL POSITION
AS 31 DECEMBER 2022

	Note	2022 £'000	*2021 £'000*
Non-current assets			
Property, plant and equipment	10	**697**	*174*
		697	*174*
Current assets			
Trade and other debtors	11	**269**	*149*
Cash and cash equivalents		**436**	*86*
		705	*235*
Creditors – amounts falling due within one year			
Trade and other creditors	12	**152**	*43*
		152	*43*
Net current assets		**553**	*192*
Total assets less current liabilities		**1,250**	*366*
Net assets		**1,250**	*366*
Capital and reserves			
Called up share capital	13	**2,005**	*1,005*
Retained losses		**(755)**	*(639)*
Total capital and reserves		**1,250**	*366*

The financial statements of Car Duibh Wind Farm Limited (registered number 12820057) were approved by the Board of Directors and authorised for issue on 14 September 2023. They were signed on its behalf by:

Iain Robertson
Director

Date: 15/09/2023

The notes on pages 14 to 26 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2022

	Note	Called - up share capital £'000	Retained losses £'000	Total equity £'000
At 1 January 2022		1,005	(638)	367
Loss for the year		—	(117)	(117)
Total comprehensive loss for the year		**—**	**(117)**	**(117)**
Transactions with owners in their capacity as owners:				
Proceeds from shares issued	13	1,000	—	1,000
Total transactions with owners, recognised directly in equity		**1,000**	**—**	**1,000**
At 31 December 2022		**2,005**	**(755)**	**1,250**

The notes on pages 14 to 26 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2021

	Called - up share capital £'000	Retained losses £'000	Total equity £'000
At 1 January 2021	1,005	(312)	693
Loss for the year	—	(326)	(326)
Total comprehensive loss for the year	**—**	**(326)**	**(326)**
At 31 December 2021	**1,005**	**(638)**	**367**

The notes on pages 14 to 26 form part of these financial statements.

1 Corporate information

Car Duibh Wind Farm Limited (the "Company") is a private company limited by shares and registered in England and Wales with registered number 12820057. The Company is incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the Company's registered office is 19th Floor, 22 Bishopsgate, London, EC2N 4BQ, United Kingdom.

The principal activities of the Company is to develop and construct a wind farm in Scotland, with the intention to divest the wind farm either before, at the time of, or shortly after completion.

The immediate parent undertaking of Car Duibh Wind Farm Limited is Statkraft UK LTD, a company incorporated in the United Kingdom, with a registered office at 19th Floor, 22 Bishopsgate, London, EC2N 4BQ.

Statkraft UK LTD is owned by Statkraft AS, a company incorporated in Norway, which is the smallest group consolidating these financial statements. The largest group to consolidate these financial statements is Statkraft SF, a company incorporated in Norway. Statkraft SF owns Statkraft AS and is the ultimate controlling party and parent of Car Duibh Wind Farm Limited.

Both of the group financial statements, which comply with International Financial Reporting Standards ("IFRS") and have been produced for public use, can be obtained from their registered offices which are at Lilleakerveien 6, Postboks 200, Lilleaker 0216, Oslo, Norway or www.statkraft.com

2 Accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Company meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council as the results of the Company are consolidated into the financial statements of Statkraft AS which are publicly available, in the year ended 31 December 2022.

For the year ended 31 December 2021, the Company prepared its financial statements in accordance with IFRS. These financial statements, for the year ended 31 December 2022, are the first the Company has prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2021 and the significant accounting policies meeting those requirements are described in the relevant notes.

The recognition and measurement of assets, liabilities, equity, revenue and expense under IFRS and FRS 101 are the same and therefore there is no material change in accounting policies or the recognition and measurement of the above items on moving to FRS 101. The key difference is that the Company has now taken exemptions from the disclosure of certain items as set out further below.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

In order to comply with the Companies Act 2006 the Company has set out below where advantage of the FRS 101 disclosure exemptions has been taken:

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16, 'Property, plant and equipment';
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (statement of cash flows information); and 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

2.2 Going concern

The Company's business activities, together with the factors likely to affect its future development and performance are set out in the Directors' Report. The financial position of the Company is disclosed on page 11.

The Company is in a net asset position of £1,250,000 (2021: £366,000) and continues to meet day-to-day liquidity needs through its cash resources. The Directors have reviewed cash flow forecasts, and projections which cover a period of at least 12 months from the date of the approval of the financial statements, which show that the Company has sufficient financial resources to continue in operation for at least the next 12 months from the date of approval of this financial statement.

The Directors also reviewed the relationship with its parent entity and the financial capability of the parent entity (who have undertaken to provide financial support to the Company to enable it to operate as a going concern and to discharge its obligations as and when they fall due).

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Foreign currencies

2.3.1 Functional and presentation currency

The Company functional currency 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.

2.3.2 Transactions and balances

Transactions denominated in currencies other than the functional currency of the Company are initially recorded in the functional currency using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-measured at the rate of exchange ruling at the balance sheet date. Exchange gains and losses on settlement of foreign currency transactions which are translated at the rate prevailing at the date of the transactions, or on the translation of monetary assets and liabilities which are translated at period-end exchange rates, are taken to the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are not re-translated.

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held with banks, commercial papers and other interest-bearing securities which normally are due within a period of three months and bank overdrafts. Bank overdrafts are shown within loans in current liabilities on the balance sheet where no right of set off exists.

2.5 Taxation

Income tax comprises current and deferred tax. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the balance sheet date, and any adjustment to tax payable in respect of previous years.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Income tax expense represents the sum of the tax currently payable and deferred tax.

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 year 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 income statement, 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.6 Assets under development

The Company has a business model where the goal is to develop and construct onshore wind power plant with the intention to divest the Company either before, at the time of, or shortly after completion, known as Develop-Sell (DS) and Develop-Build-Sell (DBS) business model.

Development expenditure is project related expenditure incurred during the period between the project initiation and commencement of construction of the wind farm site. Typically, this will include expenditure on the following:

- acquisition of rights and options over existing projects partially developed by third parties;
- land purchase, land purchase options, land leases and title insurance;
- land improvements, structures and monitoring equipment;
- surveys, assessments and feasibility studies; and
- project related legal and professional fees.

The Company's policy on initial capitalisation of development expenditure and the subsequent presentation and disclosure of the resulting assets is as follows:

Costs are capitalised as assets under development to the extent that they can be directly attributed to a clearly defined project from which economic benefit is expected (i.e. more likely than not) to flow.

The Company has established procedures to track the progress of its development projects through the development process including regularly reassessing its operational and economic viability.

Assets under development are not depreciated and are held at cost less impairment.

2.7 Property, plant and equipment

Property, plant and equipment are reported as assets in the balance sheet if it is likely that there will be future financial benefit for the company and the cost of the asset can be calculated in a reliable manner. Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost includes directly attributable expenditure incurred in bringing the assets into the location and condition to be capable of operating in the manner intended by management, such as employee benefits, site preparation, delivery and handling, installation and assembly cost, landside protection, land registration and legal and consulting fees.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent expenditures related to ordinary repairs and maintenance are recognised in the statement of profit and loss when incurred. Expenditures that involve replacing parts of the assets or expansions are capitalised as part of the carrying amount of the asset.

Depreciation commences when the asset is available for its intended use and is calculated on a straight-line basis over the asset's expected useful life. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately, which means that the components' estimated useful life provides the basis for the straight-line depreciation. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale), and the date that the asset is derecognised. Expected useful life, depreciation methods and residual values are assessed annually.

2.8 Impairment of non-financial assets

An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but ensuring that the increased carrying amount does not exceed the original carrying amount before the impairment loss was booked. A reversal of impairment loss is recognised in profit or loss. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Financial assets

Financial assets are recognised in the Company balance sheet when the Company becomes party to the contractual provisions of a financial instrument. All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. All financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

For certain categories of financial assets, such as trade debtors, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of debtors could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on debtors.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.10 Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

2.11 Equity

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

2.12 Financial liabilities

The Company does not hold any financial liabilities classified as held at fair value though profit or loss. Consequently all financial liabilities are recognised as "other financial liabilities" and are initially measured at fair value minus transaction costs.

All financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a short period, to the net carrying amount on initial recognition.

2.13 Derecognition of financial liabilities

The Company derecognises a financial liability when, and only when, the Company's obligations are discharged, cancelled or they expire.

3 Financial risk management

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

(a) Foreign exchange risk
The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Norwegian Kroner and Euros. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities in foreign currencies. The Company does not use any other instruments to manage its foreign currency risk.

(b) Credit risk
Credit risk is the risk of suffering financial loss should the Company's clients or counterparties fail to fulfil their contractual obligations. In the current lifecycle of the Company, there is no significant receivable risk from contracts with customers due to the Company not having reached commencement of operations. However, debtor balances are due from local tax authorities for VAT-related balances, where the risk of default is extremely low. For this reason, the credit risk is deemed to have an immaterial impact on the Company.

(c) Capital risk
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through optimisation of its debt to equity balance. The capital structure of the Company consists of cash and equity attributable to the shareholders of the Company; comprising issued capital and retained earnings disclosed in the Statement of Changes in Equity.

(d) Liquidity risk
Liquidity risk is the risk that the Company are unable to meet their payment obligations when due, or are unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments.

While the minimum internal liquidity threshold is adjusted from time to time in response to changes in market conditions, this minimum internal liquidity target may be breached due to circumstances outside the Company's control, such as general market disruptions, sharp movements in commodity prices or an operational problem that affects suppliers, customers or the Company itself.

A lack of liquidity may mean that the Company will not have funds available to maintain or increase marketing and industrial activities, both of which employ substantial amounts of capital. If the Company does not have funds available to sustain or develop its marketing and industrial activities then these activities will decrease.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements involves the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, considering previous experience, and are reviewed and revised as necessary. The judgements and estimates that have the most material effect on the carrying amounts of assets and liabilities are presented below.

4.1 Critical accounting judgements

4.1.1 Capitalisation of project (note 10)

The Company's investment process can be divided into five phases. The phases are based on decision gates ("DGs"): 1) Pre-feasibility phase, 2) Feasibility phase, 3) Pre-construction phase, 4) Construction phase and 5) Operations phase.

For each DG the appropriate level of management approves funding before the next phase can start. The decision is made by different management levels, according to the Group authority matrix. The costs relating to early-stage development opportunities (Pre-feasibility phase) are recognised in profit or loss until the point that management is confident that the economics of the underlying project are viable, with the project expenditure approved by the appropriate level of management on the basis of forecast recoverability (Feasibility phase).

The Company considers a project commercially viable if it is expected to be realised with a required positive margin once it is either fully developed or fully constructed. The Company considers a partially developed project commercially viable if the anticipated selling price less cost to complete is higher than the carrying value of the related project assets.

The key judgement in applying this accounting policy is determining when the capitalisation of costs should start. The Company has defined that the capitalisation of projects in DS/DBS projects start from the feasibility phase, regardless of whether an SPV is established or not. At this phase, means that at least one important input of the project is secured: grid, land or concession. Furthermore, the project is also allocated investment funding and the decision is made at the relevant managerial level. After this point, all development activities relating to the project are capitalised into property, plant and equipment.

4.1.2 Assessing CGUs non-financial assets for impairment triggers (note 10)

Impairment is assessed at the cash-generating unit (CGU) level. A CGU is the smallest identifiable asset or group of assets that generates independent cash inflows. Judgement is applied to identify the Company's CGUs.

The Company's non-financial assets are reviewed for indications of impairment (an impairment "trigger"). Judgement is applied in determining whether an impairment trigger has occurred, based on both internal and external sources. External sources may include market value declines, changes in technology, markets, economy, impact of climate changes or laws. Internal sources may include: the directors regularly consider the commitment to develop the wind farm site and the probability of this occurring, including the granting of planning permission to construct and operate the wind farm.

If indicators are identified, calculations will be made and if the carrying value is higher than the recoverable amount, an impairment loss is recognised in the financial statement.

No impairment triggers were identified in the Company.

4.2 Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates are continually evaluated and are based and historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

None of the Company's estimations have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within next financial year.

4.3 Other areas of judgement and accounting estimates

These financial statements include other areas of judgement and accounting estimates. While these areas do not meet the definition under IAS 1 of significant accounting estimates or critical accounting judgements, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer term uncertainties. The other areas of judgement and accounting estimates are:

- Deferred tax recognition – refer to note 9.

5 Operating loss

	2022 £'000	*2021* *£'000*
The following items have been included in arriving at operating loss:		
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**5**	*7*
	5	*7*

No non-audit services were performed by the Company's auditor in either year.

Following the Autumn Statement published in 17th November 2022, an Energy Generator Levy (EGL) will be effective from 1 January 2023 to 31 March 2028. This is a temporary levy of 45% tax on extraordinary returns from low-carbon UK electricity generation. For the purposes of the levy, extraordinary returns will be defined as the aggregate revenue that generators make in a period from in-scope generation at an average output price above £75/MWh. From April/24, the output price above £75/MWh will be linked to the CPI each year.

The tax will be limited to generators whose in-scope generation output exceeds 50GWh across a period and will only then apply to extraordinary returns exceeding £10m. This levy is non-deductible for corporation tax, and it is outside the scope of IAS12 Income Taxes, therefore the cost should be included in the future operating result.

6 Directors' emoluments

During the year, the Company had three Directors (2021: four Directors). Their emoluments were borne by the Company's shareholder, Statkraft UK LTD, and none of their fees were recharged to the Company.

7 Employee information

The Company had no employees during either year.

8 Finance income

	2022	2021
	£'000	£'000
Finance income		
Bank interest income	8	1
	8	1

9 Tax

	2022	2021
	£'000	£'000
Reconciliation of tax charge		
Loss before taxation	(117)	(326)
Tax at the UK corporation tax rate of 19% (2021:19%)	(22)	(62)
Effects of:		
Deferred tax assets not recognised at 25% (2021: 19%)	29	82
Deferred tax assets not recognised due to tax rate changes	(7)	(20)
Total tax expense for the year	—	—

A deferred tax asset of £170,000 (2021: £141,000) not recognized as there is insufficient evidence of future profitability to utilize the carried forward tax losses. The assumption of no future profitability is made because the Company is in the early stages of development and will not generate revenue in the immediate future.

This deferred tax asset is expected to be recognised when the Company begins commercial operations (COD), this date corresponding to the commencement of the Company's trade.

As per current UK tax legislation, carried forward pre-trading expenses can be treated as trading tax losses on the date of trade starting (COD in the Company's case) if they occurred in the 7 years prior to commencement of the trade. Once they are treated as trading tax losses, they can be carried forward for utilisation indefinitely.

As the commercial operations are expected to be within 7 years of the expenses being incurred, the total amount of pre-trading expenses incurred to date are being treated as trading tax losses and have been included in the unrecognised deferred tax asset above.

10 Property, plant and equipment

	Assets under development £'000
Cost	
As at 1 January 2022	**174**
Additions	**523**
As at 31 December 2022	**697**
Net book value	
Cost	**697**
As at 31 December 2022	**697**

	Assets under development £'000
Net book value	
Cost	*174*
As at 31 December 2021	*174*

There were no capital commitments outstanding at year end.

11 Trade and other debtors

	2022 £'000	*2021 £'000*
Prepayments	**1**	—
VAT debtor	**268**	*149*
	269	*149*

There are no trade and other debtors past due and not provided for. The Directors consider that the carrying value of trade and other debtors approximately equals their fair value.

In determining the recoverability of a trade debtor, the Company considers any change in the credit quality of the trade debtor from the date credit was initially granted up to the reporting date.

In accordance with the expected credit loss model introduced by IFRS 9, the Company's records lifetime expected credit losses on debtors. The loss provision is based on the Company's assessment of the expected credit losses. The Company does not expect to incur material losses on its debtors.

12 Trade and other creditors

	2022 £'000	*2021 £'000*
Trade creditors	**3**	*8*
Amounts due to related parties	**119**	*26*
Accruals	**30**	*—*
	152	*43*

Trade creditors and accruals comprise amounts outstanding for trade purchases and on going costs. Interest is not charged on these trade creditors. The Company has financial risk management policies in place to ensure that all creditors are paid within the pre agreed credit terms. All liabilities recorded above are expected to be settled within twelve months of the reporting date and hence all are disclosed as current liabilities.

Amounts due to related parties consist of management and other services provided by the parent entity and group subsidiaries. These are settled monthly and no interest is charged.

The Directors consider that the carrying amount of trade and other creditors approximately equals their fair value.

13 Called up share capital

	2022 Number	2022 £'000	*2021 Number*	*2021 £'000*
Authorised				
Shares treated as equity				
Ordinary shares of £1.00 each	**2,005,001**	**2,005**	*1,005,001*	*1,005*
	2,005,001	**2,005**	*1,005,001*	*1,005*

	2022 Number	2022 £'000	*2021 Number*	*2021 £'000*
Issued and fully paid				
Ordinary shares of £1.00 each				
At 1 January	**1,005,001**	**1,005**	*1,005,001*	*1,005*
Shares issued	**1,000,000**	**1,000**	*—*	*—*
At 31 December	**2,005,001**	**2,005**	*1,005,001*	*1,005*

All shares are owned by Statkraft UK LTD.

On 18 May 2022, the Company issued 1,000,000 ordinary shares for £1 each (2021: no shares issued).

14 Related party transactions

The company has taken advantage of the exemption under paragraph 8(k) of FRS101 to not disclose transactions with fellow wholly owned subsidiaries.

15 Controlling parties

The immediate parent undertaking of Car Duibh Wind Farm Limited is Statkraft UK LTD, a company incorporated in the United Kingdom. Statkraft UK LTD is owned by Statkraft AS, a company incorporated in Norway, which is the smallest group consolidating these financial statements.

The largest group to consolidate these financial statements is Statkraft SF, a company incorporated in Norway. Statkraft SF owns Statkraft AS and is the ultimate controlling party and parent of Car Duibh Wind Farm Limited.

Both of the group financial statements, which comply with IFRS and have been produced for public use, can be obtained from their registered offices which are at Lilleakerveien 6, Postboks 200, Lilleaker 0216, Oslo, Norway or www.statkraft.com.

16 Subsequent events

There have been no subsequent events that require disclosure in these financial statements.