

# BLUE TRANSMISSION

## Blue Transmission Walney 2 (Holdings) Limited

### Annual Report and Financial Statements 2020/21

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Registered in England and Wales. Company number: 07795885



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# Blue Transmission Walney 2 (Holdings) Limited

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For the year ended 31 March 2021

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# Blue Transmission Walney 2 (Holdings) Limited

## Company Information

For the year ended 31 March 2021

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<b>The board of Directors</b>	Matthew Edwards Graham Farley Matthew Pitts Gary Thornton
<b>Company secretary</b>	Infrastructure Managers Limited
<b>Registered office</b>	Cannon Place 78 Cannon Street London EC4N 6AF
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Level 4 Atria One 144 Morrison Street Edinburgh EH3 8EX

# Blue Transmission Walney 2 (Holdings) Limited

## Strategic Report

For the year ended 31 March 2021

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The Directors present the strategic report of the Company for the year ended 31 March 2021.

### Principal objectives

The principal objective of the Company is that of a holding company.

The Company holds 100% of the ordinary shares of Blue Transmission Walney 2 Limited ("BTW2"), its sole subsidiary undertaking. In addition, it holds an investment in unsecured loan notes issued by BTW2.

### Review of the Business

The Company's only source of income relates to amounts received from its subsidiary undertaking, BTW2 which are described further under "Returns from Subsidiary Undertaking" in the Directors' report.

The Company's sole expense comprises the interest expense on the loan notes it has issued to Blue Transmission Investments Limited.

Covid-19 was declared a pandemic in March 2020 and since then there has been widespread disruption in the UK. The directors have considered the current and future financial impact to the Company of Covid-19, taking into account all sources of income and expenditure generated or incurred by the Company. Throughout the pandemic, BTW2 has continued to perform its operational activities and continued to generate the expected financial returns for the Company and has not been materially impacted by the pandemic. It is the directors' view that this performance is expected to continue.

Consequently, the Directors have concluded, based on the information available to them to date, that the Covid-19 pandemic is not expected to materially impact on the future operations or financial position of the Company.

### Future Developments

The Directors intend for the business to continue to operate as it has done so in prior periods and do not expect any strategic changes.

### Key Performance Indicators

Key performance indicators are considered inappropriate for this Company. The performance of the Company's sole subsidiary BTW2 is assessed on a quarterly basis. The key indicator being that cash inflows available for debt service are sufficient to allow for the servicing of the Company's unsecured loan notes held by its parent undertaking. The subsidiary has been performing well and in addition has been compliant with the covenants laid out in its secured loan agreements.

### Principal Risks and Uncertainties

The principal financial risks and uncertainties of the Company arise from the performance of its subsidiary undertaking, BTW2. The Company can only service its loan obligations and pay ordinary dividends to its parent undertaking if BTW2 continues to service its loan obligations and pay ordinary dividends to the Company.

Approved on behalf of the Board



Gary Thornton  
Director  
28 June 2021

# **Blue Transmission Walney 2 (Holdings) Limited**

## **Directors' Report**

For the year ended 31 March 2021

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### **Country of Registration and Principal Activities**

The Company is registered in England and Wales and its principal activity is as a holding company.

The principal activity of BTW2, the Company's sole subsidiary undertaking, is to provide an electricity transmission service to the electricity system operator for Great Britain. BTW2 owns and operates a transmission system that electrically connects an offshore wind farm generator to the onshore distribution system operated by Electricity North West ("ENW").

### **The Company's Financial Position**

The profit attributable to equity shareholders for the year amounted to £1,350k (2020: £2,161k).

The Company's income for the year ended 31 March 2021 relates to the interest that was recognised in the Income Statement in respect of the loan notes held in BTW2 and returns from the equity investment in BTW2.

The Company's sole expense comprises the interest expense on the loan notes it has issued to Blue Transmission Walney 2 Investments Limited ("BTW2I") – see "Parent undertaking" below.

During the year, multiple interim ordinary dividends amounting to £1,350k (2020: £2,161k) were distributed. Particulars of the interim ordinary dividends distributed in the year are shown in note 4 to the financial statements.

### **Directors**

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are listed within Company Information on page 1.

### **Qualifying third party indemnity provisions**

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

### **Parent undertaking**

The Company is a wholly owned subsidiary undertaking of BTW2I which is incorporated in Jersey. The ultimate parent undertaking is Blue Transmission Investments Limited (BTI). BTI is also incorporated in Jersey.

The Company has issued unsecured loan notes to BTW2I in amounts and on terms that are identical to those unsecured loan notes issued to the Company by BTW2. Similarly, the movements on the loan notes issued to BTW2I are identical to those issued by BTW2. A description of the unsecured loan notes issued by BTW2 are described below under "Returns from Subsidiary Undertaking".

# **Blue Transmission Walney 2 (Holdings) Limited**

## **Directors' Report (continued)**

For the year ended 31 March 2021

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### **Returns from Subsidiary Undertaking**

On 3 October 2012, BTW2 Limited issued £17,325k unsecured 9.9% Loan Notes 2032 to the Company. During the year ended 31 March 2021, the Company recognised income of £1,728k (2020: £1,949k) in the Income Statement in relation to the unsecured Loan Notes 2032 from, BTW2, its immediate subsidiary undertaking. The principal amount outstanding at 31 March 2021 was £17,458k (2020: £17,458k) and is included within "Investments in Subsidiary Undertaking" in the balance sheet. The Company recognised interim ordinary dividends received amounting to £1,350k (2020: £2,161k) during the year.

### **Donations and research and development**

No charitable or political donations were made during the year (2020: £nil) and expenditure on research and development activities was £nil (2020: £nil).

### **Financial instruments**

With the exception of the Company's equity and loan investments in BTW2, the loan liability to its parent undertaking and any interest due to its parent undertaking, or due from BTW2, the Company has no other financial instruments.

### **Going concern**

Having made enquiries, the Directors consider that the Company has adequate resources to continue in business for the foreseeable future, and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements of the Company.

The Directors have considered the future financial impact to the Company of the Covid-19 pandemic as disclosed in the Directors' Report and based on the information available to the Directors through to the date of this report, the impact of the Covid-19 pandemic is not expected to materially impact on the future operations or financial position of the Company.

### **Future developments**

The Directors expect the Company to continue its activities as a holding company for the foreseeable future.

### **Employee involvement**

The Company does not have any employees and does not expect to engage any employees in the foreseeable future.

# **Blue Transmission Walney 2 (Holdings) Limited**

## **Directors' Report (continued)**

For the year ended 31 March 2021

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### **Cash flow statement**

No cash flow statement is presented for the year ended 31 March 2021 (2020: none), as no cash flows have been paid or received by the Company.

### **Disclosure of information to the auditors**

Each of the persons who is a Director at the date of approval of this Directors' Report confirms that:

So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's 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.

Approved on behalf of the Board



Gary Thornton

Director

28 June 2021

Blue Transmission Walney 2 (Holdings) Limited  
Cannon Place  
78 Cannon Street  
London  
EC4N 6AF

# Blue Transmission Walney 2 (Holdings) Limited

## Statement of Directors' Responsibilities

For the year ended 31 March 2021

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared these financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law. 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;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

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.

### Directors' confirmations

The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Each of the Directors, whose names are listed in the Directors Report and are in office as at the date of this report confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the and Company, together with a description of the principal risks and uncertainties that it faces.

**Approved on behalf of the Board**



Gary Thornton  
Director  
28 June 2021



# **Independent Auditors' Report to the members of Blue Transmission Walney 2 (Holdings) Limited**

For the year ended 31 March 2021

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## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Blue Transmission Walney 2 (Holdings) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2021; the income statement, the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

# **Independent Auditors' Report to the members of Blue Transmission Walney 2 (Holdings) Limited (continued)**

For the year ended 31 March 2021

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## **Reporting on other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic Report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the Directors for the financial statements**

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

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.

### **Auditors' 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 auditors' 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.

# **Independent Auditors' Report to the members of Blue Transmission Walney 2 (Holdings) Limited (continued)**

For the year ended 31 March 2021

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## **Responsibilities for the financial statements and the audit (continued)**

### **Auditors' responsibilities for the audit of the financial statements (continued)**

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, Health and Safety, and a range of industry specific legal requirements pertaining to the OFTO subsidiary undertakings licence to operate, including the Electricity Act 1989, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and the risk of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Understanding of management's controls designed to prevent and deter irregularities;
- Challenging management on assumptions and judgements made in their significant accounting estimates, in particular in relation to the fair value of derivative financial instruments;
- Identifying and testing journal entries, in particular any unusual account combinations impacting operating income, finance income and distributable reserves.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# **Independent Auditors' Report to the members of Blue Transmission Walney 2 (Holdings) Limited (continued)**

For the year ended 31 March 2021

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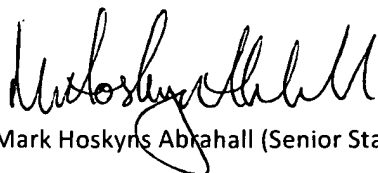
## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Mark Hoskyns Abrahall (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

28 June 2021

# Blue Transmission Walney 2 (Holdings) Limited

## Accounting policies

For the year ended 31 March 2021

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### A. Basis of preparation of these financial statements

These financial statements have been prepared on a going concern basis (see “Directors’ Report - Going concern” on page 4 which sets out the Company’s basis for applying the going concern basis to the preparation of these financial statements) and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (International Financial Reporting Standards (“IFRS”)) and the applicable legal requirements of the Companies Act 2006. The financial statements have been prepared using consistent accounting policies updated, where necessary, to ensure that the accounting policies adopted reflect all IFRS accounting standards and any related interpretations that are mandatory for the year ended 31 March 2021. The financial statements have been prepared on an historical cost basis except for the revaluation of derivative financial instruments. The financial statements are presented in pounds sterling, which is the functional currency of the Company and are rounded to the nearest £1,000.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets, and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

The Company is exempt from preparing group financial statements as it and its subsidiary are included by consolidation in the Group financial statements of Blue Transmission Investments Limited.

### B. Investments in Subsidiary Undertaking

The investments in Subsidiary Undertaking comprise the Company’s investments in the ordinary shares and loan receivables due from its subsidiary undertaking. These investments are financial instruments and are classified as ‘Investments in Subsidiary Undertaking’.

The loan receivable is recognised at amortised cost, using the effective interest rate method, less any appropriate allowances for estimated irrecoverable amounts.

The Company investment in the ordinary shares of its subsidiary undertaking is measured at the lower of their carrying amount and fair value less costs to sell.

Following the implementation IFRS 9, the Company recognises impairment by calculating the expected credit losses (where applicable) using one of the following two approaches:

- For assets where the credit risk has not significantly changed since initial recognition, a credit loss allowance is calculated by assessing the credit risk for the next twelve months.
- For assets where the credit risk has significantly changed since initial recognition, a credit loss allowance is calculated by assessing the lifetime credit risk.

Credit risk allowances are recognised directly in the income statement.

### C. Borrowing

Borrowing, which comprise loan notes issued to the Company’s parent undertaking, are initially recorded at the net proceeds received. Subsequently the borrowing is stated at amortised cost, using the effective interest rate method.

# **Blue Transmission Walney 2 (Holdings) Limited**

## **Accounting Policies (continued)**

For the year ended 31 March 2021

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### **D. Interest income and expense**

Interest income receivable and interest expense payable are recognised in the balance sheet and income statement in accordance with the terms of the contractual arrangements.

### **E. Income taxation**

Income taxation comprises current and deferred taxation. Income taxation is recognised where a taxation asset or liability arises that is permitted to be recognised under generally accepted accounting principles. All identifiable taxation assets or liabilities are recognised in the income statement except to the extent that the taxation arising relates to other items recognised directly in equity, in which case such taxation assets or liabilities are recognised in equity.

### **F. Critical accounting judgements, key assumptions and sources of estimation uncertainty**

The preparation of financial statements requires management to make accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Assumptions and estimates are reviewed on an on-going basis and any revisions to them are recognised in the period the revision occurs. The following describes the critical accounting policy adopted by the Company together with information about the key judgements, estimations and assumptions that have been applied.

#### **Investments in Subsidiary Undertaking**

The carrying value of the investments in Subsidiary Undertaking at 31 March 2021 are recorded in the Company's balance sheet at amortised cost less any expected credit loss. The Company has to determine whether there is an expected credit loss by considering the probability of default. If the investments in Subsidiary Undertaking are considered low credit risk at the reporting date, IFRS 9 allows a 12-month expected credit loss to be recognised. However, if not low risk, then a lifetime expected credit loss is recognised. The expected credit loss is derived using an external rating of the subsidiary and applying a default rate published by an external ratings agency.

### **G. Accounting developments**

#### **i) Accounting standards as applied to these financial statements**

In preparing these financial statements the Company has complied with IFRS applicable either for accounting periods starting by 1 April 2020 or ending by 31 March 2021. No new accounting standards, amendments to standards or interpretations that have been issued and are applicable to these financial statements for the first time have had any significant effect on the measurement of assets and/or liabilities or any of the disclosures included herein.

# **Blue Transmission Walney 2 (Holdings) Limited**

## **Accounting Policies (continued)**

For the year ended 31 March 2021

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### **G. Accounting developments (continued)**

- ii) **New accounting standards, amendments to standards and interpretations issued but not effective in these financial statements**

New accounting standards, amendments to standards and interpretations which have been issued but which are not effective in these financial statements are not expected to have any material impact on the financial statements of the Company.

### **H. Cash flow statement**

No cash flow statement is presented for the year ended 31 March 2021 (2020: none), as no cash flows have been paid or received by the Company.

# Blue Transmission Walney 2 (Holdings) Limited

## Income Statement

For the year ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Income from shares in group undertaking		1,350	2,161
Interest income	2	1,728	1,949
Interest expense	2	(1,728)	(1,949)
<b>Profit before taxation</b>		<b>1,350</b>	<b>2,161</b>
Taxation on profit	3	-	-
<b>Profit attributable to equity shareholders</b>		<b>1,350</b>	<b>2,161</b>

The notes on pages 17 to 20 form part of these financial statements.

The results reported above relate to continuing operations.

The Company has no recognised gains and losses other than those included in the profit above and therefore no separate statement of comprehensive income has been presented.



# Blue Transmission Walney 2 (Holdings) Limited

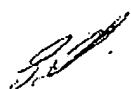
## Balance sheet

As at 31 March 2021

	Notes	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Investments in Subsidiary Undertaking	5	<u>17,633</u>	<u>17,633</u>
Total non-current assets		<u>17,633</u>	<u>17,633</u>
<b>Current assets</b>			
Amounts owed by Subsidiary Undertaking		<u>426</u>	<u>432</u>
Total current assets		<u>426</u>	<u>432</u>
<b>Total assets</b>		<u>18,059</u>	<u>18,065</u>
<b>Current liabilities</b>			
Amounts owed to parent undertaking		<u>(426)</u>	<u>(432)</u>
Total current liabilities		<u>(426)</u>	<u>(432)</u>
<b>Non-current liabilities</b>			
Borrowing	6	<u>(17,458)</u>	<u>(17,458)</u>
Total non-current liabilities		<u>(17,458)</u>	<u>(17,458)</u>
<b>Total liabilities</b>		<u>(17,884)</u>	<u>(17,890)</u>
<b>Net assets</b>		<u>175</u>	<u>175</u>
<b>Equity</b>			
Called up share capital	7	<u>175</u>	<u>175</u>
Retained earnings	9	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>		<u>175</u>	<u>175</u>

Company number: 07795885

The financial statements set out on pages 11 to 20 were approved by the Board of Directors on 28 June 2021 and were signed on its behalf by:



Gary Thornton  
Director

# Blue Transmission Walney 2 (Holdings) Limited

## Statement of changes in equity

For the year ended 31 March 2021

	Note	Called up share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2019		175	-	175
Profit attributable to equity shareholders		-	2,161	2,161
Interim ordinary dividend distributions	4	-	(2,161)	(2,161)
At 31 March 2020		<u>175</u>	<u>-</u>	<u>175</u>
Profit attributable to equity shareholders		-	1,350	1,350
Interim ordinary dividend distributions	4	-	(1,350)	(1,350)
At 31 March 2021		<u>175</u>	<u>-</u>	<u>175</u>

# Blue Transmission Walney 2 (Holdings) Limited

## Notes to the financial statements

For the year ended 31 March 2021

### 1. Profit attributable to equity shareholders

Auditors' remuneration is borne by the subsidiary undertaking.

The Directors did not receive any remuneration from the Company during the year (2020: £nil).

There were no employees in the year (2020: None).

### 2. Net interest expense

Net interest expense is as tabulated below:

	2021 £'000	2020 £'000
<b>Interest income</b>		
Interest on loan notes held in Subsidiary Undertaking	<u>1,728</u>	<u>1,949</u>
	<b>1,728</b>	<b>1,949</b>
<b>Interest expense</b>		
Interest on loan notes due to parent undertaking	<u>(1,728)</u>	<u>(1,949)</u>
	<b>(1,728)</b>	<b>(1,949)</b>
<b>Net interest expense</b>	<u>-</u>	<u>-</u>

### 3. Taxation on profit

The taxation charge differs from (2020: differs from) the main rate of corporation tax in the UK of 19% (2020: 19%) for the reasons outlined below:

	2021 £'000	2020 £'000
Profit before taxation	<u>1,350</u>	<u>2,161</u>
Taxation at 19% (2020: 19%) on profit before taxation	257	411
<b>Effects of:</b>		
- income not chargeable for tax purposes	<u>(257)</u>	<u>(411)</u>
<b>Taxation charge for the year</b>	<u>-</u>	<u>-</u>

# Blue Transmission Walney 2 (Holdings) Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

### 4. Ordinary dividends

Interim ordinary dividends were approved by the Board and distributed during the year as follows:

	2021 £'000	2020 £'000
Interim ordinary dividends	<u>1,350</u>	<u>2,161</u>

Interim ordinary dividends of £7.72 (2020: £12.35) per ordinary share were distributed during the year to the Company's immediate parent undertaking Blue Transmission Walney 2 Investments Limited ("BTW2I").

On 10 June 2021, the Board approved the distribution of an interim ordinary dividend of £3.08 per ordinary share amounting to £539,000. This interim ordinary dividend is not recognised in the financial statements for the year ended 31 March 2021 in accordance with IFRS.

### 5. Investments in Subsidiary Undertaking

	2021 £'000	2020 £'000
Cost at 1 April	17,633	18,123
Repayments	-	(490)
Capitalised interest	-	-
<b>Cost at 31 March</b>	<u>17,633</u>	<u>17,633</u>

The investments held at 31 March 2021 comprise: £175k (2020: £175k) in all of the ordinary share capital of BTW2; and £17,458k (2020: £17,458k) in respect of unsecured 9.9% Loan Notes 2032.

The principal activity of Blue Transmission Walney 2 Limited (BTW2) is to provide an electricity transmission service to the electricity system operator of Great Britain.

The results of BTW2 for the year ended 31 March 2021 and the capital & reserves at 31 March 2021 were as follows:

	2021 £'000	2020 £'000
Profit attributable to equity shareholders for the year	3,162	1,227
Capital and Reserves	602	(1,852)

The registered office of BTW2 is Cannon Place, 78 Cannon Street, London, EC4N 6AF.

# Blue Transmission Walney 2 (Holdings) Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

### 6. Borrowing

The following table analyses the Company's borrowing:

	2021 £'000	2020 £'000
<b>Non-current</b>		
Amount owed to parent undertaking	<u>17,458</u>	<u>17,458</u>

The amount owed to parent undertaking is unsecured and carries a fixed coupon of 9.9% per annum. This loan is contractually repayable on 31 October 2032.

The borrowing is carried at amortised cost.

There have been no instances of default or other breaches of the terms of the loan agreement during the year in respect of the loan outstanding at 31 March 2021 (2020: None).

### 7. Called up share capital

Share capital is as analysed below.

	No. (thousands)	£'000
Allotted, called up and fully paid		
At 1 April 2019, 31 March 2020 and 31 March 2021	<u>175</u>	<u>175</u>

The Company has one class of ordinary share with a nominal value of £1 each which carries no right to fixed income. The holders of ordinary shares are entitled to receive ordinary dividends as declared and are entitled to one vote per share at meetings of the Company.

### 8. Related party transactions

A summary of funding transactions with the immediate parent undertaking (BTW2I) is shown below:

	2021 £'000	2020 £'000
<b>Borrowing from immediate parent undertaking (principal)</b>		
At 1 April	17,458	17,948
Repayments	-	(490)
At 31 March	<u>17,458</u>	<u>17,458</u>

The borrowing from the immediate parent undertaking was negotiated on normal commercial terms and is repayable in accordance with the terms of the unsecured 9.9% loan notes 2032.

Amounts due from BTW2 and owed to BTW2I in respect of accrued interest as at 31 March 2021 amounted to £426k (2020: £432k).

# Blue Transmission Walney 2 (Holdings) Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

### 8. Related party transactions (continued)

During the year, the Company recognised interest income from BTW2 of £1,728k (2020: £1,949k) and an interest expense on the loan with BTW2I of £1,728k (2020: £1,949k). The Company recognised interim ordinary dividends received from BTW2 of £1,350k (2020: £2,161k) and recognised interim ordinary dividend distributions of £1,350k (2020: £2,161k) to BTW2I during the year.

No amounts have been provided at 31 March 2021 (2020: £nil), and no expense was recognised during the year (2020: £nil) in respect of bad or doubtful debts for any related party transactions.

### 9. Retained earnings

	2021 £'000	2020 £'000
At 1 April	-	-
Profit attributable to equity shareholders	1,350	2,161
Interim ordinary dividends	(1,350)	(2,161)
At 31 March	-	-

The Company recognised interim ordinary dividend distributions amounting to £1,350k (2020: £2,161k) to its immediate parent BTW2I during the year.

### 10. Parent companies

Blue Transmission Walney 2 (Holdings) Limited's immediate parent company is Blue Transmission Walney 2 Investments Limited (Incorporated in Jersey). The ultimate controlling party is Blue Transmission Investments Limited (incorporated in Jersey). Blue Transmission Investments Limited consolidates the financial statements of the Company.