

**COMPANIES HOUSE  
EDINBURGH**

**17 AUG 2018**

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# **BLUE TRANSMISSION**

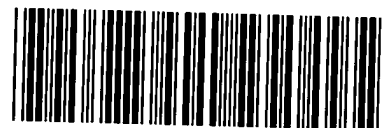
**Blue Transmission Sheringham Shoal  
(Holdings) Limited**

**Annual Report and Financial Statements 2017/18**

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Registered in England and Wales. Company number: 08085637

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COMPANIES HOUSE

# Blue Transmission Sheringham Shoal (Holdings) Limited

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For the year ended 31 March 2018

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# Blue Transmission Sheringham Shoal (Holdings) Limited

## Company Information

For the year ended 31 March 2018

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### The board of directors

Matthew Edwards

Graham Farley

Tomoyuki Okuda

(Appointed 30 May 2017)

Gary Thornton

Satoshi Shimizu

(Resigned 30 May 2017)

### Company secretary

Infrastructure Managers Limited

### Registered office

Cannon Place

78 Cannon Street

London

EC4N 6AF

### Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Level 4

Atria One

144 Morrison Street

Edinburgh

EH3 8EX

# Blue Transmission Sheringham Shoal (Holdings) Limited

## Strategic Report

For the year ended 31 March 2018

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The Directors present the strategic report of the Company for the year ended 31 March 2018.

### 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 Sheringham Shoal Limited ("BTSS"), its sole subsidiary undertaking. In addition, it holds an investment in unsecured loan notes issued by BTSS which are described further under "Returns from Subsidiary Undertaking" in the Directors' report.

### Review of the Business

The Company's sole expense comprises the interest expense on the loan notes it has issued to Blue Transmission Investments which are described further under "Returns from Subsidiary Undertaking" in the Directors' report.

### Future Developments

The Directors intend for the business to continue to operate in line with the contractual terms and do not expect any strategic changes.

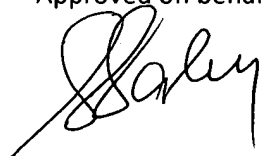
### Key Performance Indicators

Key performance indicators are considered inappropriate for this Company. The performance of the Company's sole subsidiary BTSS from a cash perspective is assessed on a quarterly basis by the testing of the covenants of the senior debt providers, the key indicator being the debt service cover ratio. The subsidiary has been performing well and has been compliant with the covenants laid out in the loan agreement.

### Principal Risks and Uncertainties

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

Approved on behalf of the Board



Graham Farley  
Director  
27 June 2018

# **Blue Transmission Sheringham Shoal (Holdings) Limited**

## **Directors' Report**

For the year ended 31 March 2018

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### **Country of Registration and Principal Activity**

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

The principal activity of BTSS, the Company's sole subsidiary undertaking, is to provide an electricity transmission service to National Grid Electricity Transmission plc ("NGET") - the electricity transmission system operator for Great Britain. BTSS owns and operates a transmission system that electrically connects an offshore wind farm generator to the onshore distribution system operated by Eastern Power Networks ("EPN").

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

The profit attributable to equity Shareholders for the year amounted to £3,052k (2017: £1,550k).

The Company's income for the year ended 31 March 2018 relates to the interest that was received and receivable in respect of the loan notes held in BTSS and returns from the equity investment in BTSS.

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

During the year a dividend amounting to £3,052k was paid (2017: £1,550k). Particulars of all dividends paid are detailed 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.

Directors' and Officers' liability insurance cover is arranged.

### **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 BTSSI. BTSSI 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 BTSSI in amounts and on terms that are identical to those unsecured loan notes issued to the Company by BTSS. A description of the unsecured loan notes issued by BTSS are described below under "Returns from Subsidiary Undertaking".

### **Returns from Subsidiary Undertaking**

On 8 July 2013, BTSS issued £25,949k unsecured 9.5% Loan Notes 2033 to the Company. During the year ended 31 March 2018 the Company received principal payments amounting to £nil (2017: £3,354k) and recognised interest income of £1,849k (2017: £1,913k). The principal amount outstanding at 31 March 2018 was £19,451k (2017: £19,451k) and is included within "Investments in Subsidiary Undertaking" in the balance sheet. The Company received a dividend amounting to £3,052k during the year (2017: £1,550k).

# Blue Transmission Sheringham Shoal (Holdings) Limited

## Directors' Report (continued)

For the year ended 31 March 2018

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### Donations and research and development

No charitable or political donations were made during the year (2017: £nil) and expenditure on research and development activities was £nil (2017: £nil).

### Financial instruments

With the exception of the Company's equity and loan investment in BTSS, the loan liability to its parent undertaking and any interest due to its parent undertaking, or due from BTSS, 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.

### 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.

### Audit information

Having made the requisite enquiries, so far as the Directors in office at the date of the signing of this report are aware, there is no relevant audit information of which the auditors are unaware, and each Director has taken all reasonable steps to make themselves aware of any relevant audit information, and to establish that the auditors are aware of that information.

### Cash flow statement

No cash flow statement is presented for the year ended 31 March 2018 (2017: none), as no cash flows have been paid or received by the Company.

Approved on behalf of the Board



Graham Farley  
Director

27 June 2018

Blue Transmission Sheringham Shoal (Holdings) Limited  
Cannon Place  
78 Cannon Street  
London  
EC4N 6A

# Blue Transmission Sheringham Shoal (Holdings) Limited

## Statement of directors' responsibilities in respect of the financial statements

For the year ended 31 March 2018

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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 Financial Reporting Standards (IFRS) as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

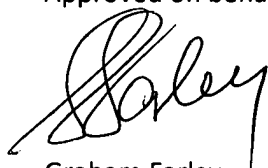
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies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

In accordance with Section 418 of the Companies Act 2006, Directors' Report shall include a statement, in the case of each Director in office at the date the Directors' Report is approved, that:

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

(b) they have 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.

Approved on behalf of the Board



Graham Farley

Director

27 June 2018

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

For the year ended 31 March 2018

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

### **Opinion**

In our opinion, Blue Transmission Sheringham Shoal (Holdings) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its result for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; 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 2018; the Income Statement for the year then ended; the Statement of Changes in Equity for the year then ended; the accounting policies; and the notes to the financial statements, which include other explanatory information.

### **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**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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



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

For the year ended 31 March 2018

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## **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.

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2018 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 Director's Responsibilities set out on page 5, 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.

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

For the year ended 31 March 2018

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## **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.

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.

## **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 received 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-Abraham (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
27 June 2018

# Blue Transmission Sheringham Shoal (Holdings) Limited

## Accounting policies

For the year ended 31 March 2018

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### A. Basis of preparation of financial statements under IFRS

These financial statements have been prepared on a going concern basis and in accordance with EU endorsed International Financial Reporting Standards (IFRS), interpretations issued by the IFRS Interpretations Committee (IFRS IC) and in accordance with the Companies Act 2006 applicable to companies reporting under IFRS. 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 that have been endorsed by the EU and any related interpretations issued by the IFRS IC that are mandatory for the year ended 31 March 2018. 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 carried at cost less any appropriate allowance for impairment.

A provision is established for irrecoverable amounts when there is objective evidence that amounts due under the terms of the loan will not be collected or where there are indications of impairment in the case of the investment in the ordinary shares of the subsidiary undertaking. Indications that the loan receivable may become irrecoverable or that the investment in the ordinary shares of the subsidiary undertaking would be impaired would include financial difficulties of the subsidiary undertaking, likelihood of the subsidiary undertaking's insolvency, and default or significant failure of payment under the loan agreement.

### C. Borrowing

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

# **Blue Transmission Sheringham Shoal (Holdings) Limited**

## **Accounting policies**

For the year ended 31 March 2018

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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.

#### **i) Investments in Subsidiary Undertaking**

The carrying value of the investments in Subsidiary Undertaking recorded in the Company's balance sheet at amortised cost could be materially reduced if the value of those assets were assessed to have been impaired. Impairment reviews are performed in the event that circumstances change which might indicate that the investments in Subsidiary Undertakings have been impaired. In principle, such impairment reviews would consider if the loan receivable was wholly or partially irrecoverable or that the fair value of the investment in the ordinary shares of the Subsidiary Undertaking had fallen below the carrying value of that investment. Such evidence as would be considered in forming an opinion as to the full or partial recoverability of the loan receivable or impairment of the investment in the ordinary shares would include: the financial difficulties experienced by the subsidiary undertaking; the likelihood of the subsidiary undertaking's insolvency; and the default or significant failure of payment under the loan agreement. In such circumstances, through the application of judgement the carrying value of the investments in Subsidiary Undertaking would be considered and any reduction in value arising from such a review would be recorded in the income statement.

Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the investments, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired investments, together with a consideration of an appropriate discount rate to apply to those cash flows.

# Blue Transmission Sheringham Shoal (Holdings) Limited

## Accounting policies (continued)

For the year ended 31 March 2018

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### **G. Accounting developments**

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

In preparing these financial statements the Company has complied with IFRS, International Accounting Standards (IAS) and Interpretations applicable either for accounting periods starting by 1 April 2017 or ending by 31 March 2018 and have been endorsed by the EU. No new accounting standards, amendments to standards or interpretations that have been issued and endorsed by the EU 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.

#### **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 2018 (2017: none), as no cash flows have been paid or received by the Company.

# Blue Transmission Sheringham Shoal (Holdings) Limited

## Income statement

For the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Income from shares in group undertaking		3,052	1,550
Interest income	2	1,849	1,913
Interest expense	2	(1,849)	(1,913)
<b>Profit on ordinary activities before taxation</b>		<b>3,052</b>	<b>1,550</b>
Tax on profit on ordinary activities	3	-	-
<b>Profit attributable to equity shareholders</b>		<b>3,052</b>	<b>1,550</b>

The notes on pages 15 to 18 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 Sheringham Shoal (Holdings) Limited

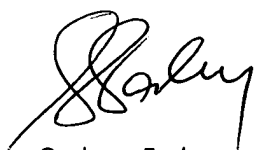
## Balance sheet

As at 31 March 2018

	Note	2018 £'000	2017 £'000
<b>Non-current assets</b>			
Investments in Subsidiary Undertaking	5	<u>19,713</u>	<u>19,713</u>
Total non-current assets		<u>19,713</u>	<u>19,713</u>
<b>Current assets</b>			
Amounts receivable from Subsidiary Undertaking		<u>456</u>	<u>456</u>
Total current assets		<u>456</u>	<u>456</u>
<b>Total assets</b>		<u>20,169</u>	<u>20,169</u>
<b>Current liabilities</b>			
Amounts payable to parent undertaking		<u>(456)</u>	<u>(456)</u>
Total current liabilities		<u>(456)</u>	<u>(456)</u>
<b>Non-current liabilities</b>			
Borrowing	6	<u>(19,451)</u>	<u>(19,451)</u>
Total non-current liabilities		<u>(19,451)</u>	<u>(19,451)</u>
<b>Total liabilities</b>		<u>(19,907)</u>	<u>(19,907)</u>
<b>Net assets</b>		<u>262</u>	<u>262</u>
<b>Equity</b>			
Called up share capital	7	262	262
Retained earnings	9	-	-
<b>Total equity</b>		<u>262</u>	<u>262</u>

Company number: 08085637

The financial statements set out on pages 9 to 18 were approved by the Board of Directors on 27 June 2018 and were signed on its behalf by:



Graham Farley  
Director

# Blue Transmission Sheringham Shoal (Holdings) Limited

## Statement of changes in equity

For the year ended 31 March 2018

	Note	Called up share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2016		262	-	262
Profit attributable to equity shareholders		-	1,550	1,550
Dividends paid	4	-	(1,550)	(1,550)
At 31 March 2017		<u>262</u>	<u>-</u>	<u>262</u>
Profit attributable to equity shareholders		-	3,052	3,052
Dividends paid	4	-	(3,052)	(3,052)
At 31 March 2018		<u>262</u>	<u>-</u>	<u>262</u>



# Blue Transmission Sheringham Shoal (Holdings) Limited

## Notes to the financial statements

For the year ended 31 March 2018

### 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 (2017: £nil).

There were no employees in the year (2017: none).

### 2. Net interest expense

Net interest expense is as tabulated below:

	2018 £'000	2017 £'000
<b>Interest income</b>		
Interest on loan to Subsidiary Undertaking	1,849	1,913
	<u>1,849</u>	<u>1,913</u>
<b>Interest expense</b>		
Interest on loan from parent undertaking	(1,849)	(1,913)
	<u>(1,849)</u>	<u>(1,913)</u>
<b>Net interest expense</b>	<u>-</u>	<u>-</u>

### 3. Taxation on Profit on ordinary activities

The taxation charge for differs from the main rate of corporation tax in the UK of 19% (2017: 20%) for the reasons outlined below:

	2018 £'000	2017 £'000
Profit on ordinary activities before taxation	<u>3,052</u>	<u>1,550</u>
Taxation at 19% (2017: 20%) on profit before taxation	580	310
<b>Effects of:</b>		
- income not chargeable for tax purposes	(580)	(310)
<b>Taxation charge for the year</b>	<u>-</u>	<u>-</u>

# Blue Transmission Sheringham Shoal (Holdings) Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2018

### 4. Dividends

#### Equity Dividends

	2018 £'000	2017 £'000
Interim dividends	<u>3,052</u>	<u>1,550</u>

Interim dividends of 1,164.88p per ordinary share was paid during the year (2017: 591.60p) to the Company's immediate parent undertaking Blue Transmission Sheringham Shoal Investments Limited ("BTSSI").

### 5. Investments in Subsidiary Undertaking

	2018 £'000	2017 £'000
Cost at 1 April	19,713	23,067
Repayments	-	(3,354)
<b>Cost at 31 March</b>	<u><b>19,713</b></u>	<u><b>19,713</b></u>

There were no additions during the year and investments held at 31 March 2018 comprise: £262k (2017: £262k) in all of the ordinary share capital of BTSS; and £19,451k (2017: £19,451k) in respect of unsecured Loan Notes 2033.

The principal activity of Blue Transmission Sheringham Shoal Limited is to provide an electricity transmission service to National Grid Electricity Transmission plc (NGET).

The results of BTSS for the year ended 31 March 2018 and the capital & reserves at 31 March 2018 were as follows:

	2018 £'000	2017 £'000
Profit attributable to equity shareholders for the year	4,288	4,255
Capital and Reserves	2,983	(2,560)

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

# Blue Transmission Sheringham Shoal (Holdings) Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2018

### 6. Borrowing

The following table analyses the Company's borrowing:

	2018 £'000	2017 £'000
<b>Non-current</b>		
Amounts owed to parent undertaking	<u>19,451</u>	<u>19,451</u>

The amounts owed to parent undertaking is unsecured, and carries a fixed coupon of 9.5% per annum. This loan is contractually repayable on 30 June 2033.

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 2018 (2017: None).

### 7. Called up share capital

Share capital is as analysed below.

	No. (thousands)	£'000
Allotted, called up and fully paid		
At 1 April 2015, 1 April 2017 and 31 March 2018	<u>262</u>	<u>262</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 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 (BTSSI) is shown below:

	2018 £'000	2017 £'000
<b>Borrowing from immediate parent undertaking (principal)</b>		
At 1 April	19,451	22,805
Repayments	-	(3,354)
<b>At 31 March</b>	<u>19,451</u>	<u>19,451</u>

# Blue Transmission Sheringham Shoal (Holdings) Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2018

### 8. Related party transactions (continued)

The borrowing from the immediate parent undertaking was negotiated on normal commercial terms and is repayable in accordance with the terms of the unsecured 9.5% loan notes 2033. Payments of interest and repayments of principal were made during the year which amounted to £1,849k (2017: £5,267k).

Amounts due from BTSS and owed to BTSSI in respect of accrued interest as at 31 March 2018 amounted to £456k (2017: £456k).

During the year, the Company recognised interest income from BTSS of £1,849k (2017: £1,913k) and an interest expense on the loan with BTSSI of £1,849k (2017: £1,913k). The Company received a dividend from BTSS of £3,052k (2017: £1,550k) and paid a dividend of £3,052k (2017: £1,550k) to BTSSI during the year.

No amounts have been provided at 31 March 2018 (2017: £nil), and no expense was recognised during the year (2017: £nil) in respect of bad or doubtful debts for any related party transactions.

### 9. Retained earnings

	2018 £'000	2017 £'000
At 1 April	-	-
Profit attributable to equity shareholders	3,052	1,550
Equity dividend	(3,052)	(1,550)
At 31 March	-	-

The Company paid dividends of £3,052k (2017: £1,550k) to its immediate parent BTSSI during the year.

### 10. Parent companies

Blue Transmission Sheringham Shoal (Holdings) Limited's immediate parent company is Blue Transmission Sheringham Shoal 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.