

**Greater Gabbard OFTO Intermediate
Limited**

Annual Report and Financial Statements

For the year ended 31st March 2016

Greater Gabbard OFTO Intermediate Limited

Strategic Report

For the year ended 31 March 2016

The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal Activity

Greater Gabbard OFTO Intermediate Limited is a financing company whose sole purpose is the lending to Greater Gabbard OFTO Plc by means of secured subordinated loan stock. The Company and Greater Gabbard OFTO Plc are wholly-owned subsidiaries of Greater Gabbard OFTO Holdings Limited which together form the Greater Gabbard OFTO Group ("Greater Gabbard Group").

On 26 November 2013 Greater Gabbard OFTO Plc was granted an Offshore Electricity Transmission Licence ("the licence") under the Electricity Act 1989 by the Gas and Electricity Markets Authority ("Ofgem"). Its principal activity is to provide an electricity transmission service to National Grid Electricity Transmission Plc ("NGET") - the electricity transmission system operator for Great Britain. It owns and operates a transmission system for a period of 20 years that electrically connects an offshore wind farm generator off the Coast of Suffolk to the onshore transmission system operated by NGET.

The secured loan stock was issued by the Company to the shareholders of Greater Gabbard OFTO Holdings Limited in equal amounts on the 27 November 2013. The proceeds received were, on identical terms and conditions invested in secured subordinated loan stock issued by Greater Gabbard OFTO Plc, also on the 27 November 2013.

No change in the Greater Gabbard Group's activities is anticipated.

The audited financial statements for the year ended March 2016 are set out on pages 8 to 14.

Principal Risks and Uncertainties

The Greater Gabbard Group recognises that effective risk management is fundamental to achieving its business objectives in order to meet its commitments in fulfilling the requirements of the licence and other contracts and in delivering a safe and efficient service. Risk management contributes to the success of the business by identifying opportunities and anticipating risks in order to enable the business to improve performance and fulfil its contractual obligations.

Financial Risk Management

The Company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are interest rate risk, credit risk and liquidity risk. Due to the nature of the Company's activities and the assets contained within the Company's Statement of Financial Position, the only financial risk that the Directors consider relevant to the Company is liquidity risk.

The liquidity risk is mitigated by the Company having arranged subordinated debt funding to cover its obligations for the financing of Greater Gabbard OFTO Plc.

Contractual relationships

The Company's fellow subsidiary Greater Gabbard OFTO Plc operates within a contractual relationship with its primary customer, NGET, acting as an agent on behalf of Ofgem. A significant impairment of these relationships could have a direct and detrimental effect on Greater Gabbard OFTO Plc's results and could ultimately result in termination of the concession. To manage this risk Greater Gabbard OFTO Plc has regular meetings with NGET including discussions on performance, project progress, future plans and customer requirements.

This report was approved by the Board on 25 July 2016 and signed on its behalf by:



K Shah

Company Secretary

Greater Gabbard OFTO Intermediate Limited

Directors' Report

For the year ended 31 March 2016

The Directors present their annual report together with the audited financial statements for the year ended 31 March 2016.

The following information has been disclosed in the strategic report:

- Financial Risk Management and
- Indication of likely future developments in the business.

Results and Dividends

The audited financial statements for the year ended 31 March 2016 are set out on pages 8 to 14. The Company's profit for the year after tax amounted to £nil (2015: £nil). The Company has no distributable reserves and therefore the Directors do not propose to pay a dividend in respect of the year ended 31 March 2016 (2015: £nil). The Directors expect the Company to continue its operations for the foreseeable future.

Operating Income

Operating income of the Greater Gabbard Group is derived from Greater Gabbard OFTO Plc's provision of operating services to its principal customer, NGET.

Operating income for the period primarily represents the operating income that would be generated by an efficient provider of operating services to NGET. Such services include those activities that result in the efficient and safe operation of those assets on behalf of a standalone transmission owner, and are reflective of the costs incurred in providing those services, including the cost of insuring those assets. Operating income has been recorded in accordance with the principal accounting policies adopted by the Company.

Going Concern

The assessment of going concern is linked to that of the Greater Gabbard Group, as its ability is dependent upon the financial performance of Greater Gabbard OFTO Plc.

The Greater Gabbard Group has substantial financial resources to cover its obligations to NGET, having arranged senior debt facilities and subordinated debt funding having been received from its shareholders at the start of the contract.

Accordingly, after making enquiries with the Greater Gabbard Group, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

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

Further details regarding the adoption of the going concern basis can be found in note 2 of the statement of accounting policies in the financial statements.

Share Capital

The issued share capital of the Company at 31 March 2016 was £1 (2015: £1) consisting of 1 (2015: 1) ordinary share of £1.

Greater Gabbard OFTO Intermediate Limited

Directors' Report (Continued)

For the year ended 31 March 2016

Directors

The following persons were Directors of the Company throughout the year and up to the date of this report:

R Collins

S Jones

S Orrell (resigned on 20 August 2015)

S McLachlan (appointed on 20 August 2015, resigned on 2 December 2015)

T J Sillanpaa (resigned on 1 December 2015)

M Aggarwal (resigned on 1 December 2015)

B R Walker (resigned on 2 December 2015)

J L Crouch (appointed on 20 January 2016)

R D Knight (appointed on 20 January 2016)

No Director had any interests in the issued share capital of the Company or other Group Companies at 31 March 2016.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

Company Information

Greater Gabbard OFTO Intermediate Limited is incorporated in Great Britain, registered in England and Wales and domiciled in the United Kingdom.

Company Secretary and Registered Office

The Company Secretary is K Shah. The registered address is Welken House, 10-11 Charterhouse Square, London, EC1M 6EH.

Auditor

Each of the persons who is a Director at the date of approval of the report confirms that:

- i) so far as the Director is aware there is no relevant audit information of which the Company's auditor is unaware; and
- ii) the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This report was approved by the Board on 25 July 2016 and signed on its behalf by:



K Shah

Company Secretary

Greater Gabbard OFTO Intermediate Limited

Statement of Directors' Responsibilities

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 International Financial Reporting Standards (IFRSs) 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Greater Gabbard OFTO Intermediate Limited

We have audited the financial statements of Greater Gabbard OFTO Intermediate Limited for the year ended 31 March 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, Cash Flow Statement and the related notes numbered 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its result for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of Greater Gabbard OFTO Intermediate Limited (Continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.



Makhana Chahal (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

25th July 2016

Greater Gabbard OFTO Intermediate Limited
Income Statement
For the year ended 31 March 2016

	Notes	2016 £'000	2015 £'000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		-	-
Operating profit		-	-
Interest receivable and similar income	4	4,612	4,599
Interest payable and similar charges	4	(4,612)	(4,599)
Profit on ordinary activities before taxation		-	-
Taxation on profit of ordinary activities	5	-	-
Profit on ordinary activities after taxation		-	-

The accompanying notes form an integral part of these financial statements.

Continuing operations

All results are from continuing operations in the United Kingdom.

Statements of comprehensive income

There was no other comprehensive income for the current year and preceding year other than those stated in the income statement, consequently no statement of comprehensive income is presented.

Statements of changes in equity

There were no changes in equity for the current year, consequently no statement of change in equity is presented.

Greater Gabbard OFTO Intermediate Limited
Statement of Financial Position
For the year ended 31 March 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investments	6	45,989	45,989
Current assets			
Receivables: due within one year	7	1,106	-
Cash and cash equivalents		-	-
Creditors: amounts falling due within one year	8	(1,106)	-
Net current assets		-	-
Total assets less current liabilities		45,989	45,989
Creditors: amounts falling due after one year			
Loan stock	9	(45,989)	(45,989)
Net assets		-	-
Capital and reserves			
Called up share capital	10	-	-
Retained Earnings	11	-	-
Shareholder's funds	12	-	-

These financial statements for Greater Gabbard OFTO Intermediate Limited, company registration number 08180794, were approved by the Board of Directors on 25 July 2016 and signed on its behalf by:



R Collins
 Director

Greater Gabbard OFTO Intermediate Limited
Cash flow statement
For the year ended 31 March 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities			
Operating profit for the year		-	-
Adjustments for:			
Interest paid		(3,506)	(4,608)
(Increase) / decrease in debtors		(1,106)	-
Increase / (decrease) in creditors		1,106	-
		(3,506)	(4,608)
Net cash flow used in operating activities		(3,506)	(4,608)
<u>Net cash flow generated from investing activities</u>			
Investment in subsidiary		-	-
Interest received		3,506	4,608
		3,506	4,608
<u>Cash flows from financing activities</u>			
Proceeds of subordinated loans received		-	-
		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the start of the year		-	-
Cash and cash equivalents at the end of the year		-	-

Greater Gabbard OFTO Intermediate Limited

Notes to the Financial Statements

For the year ended 31 March 2016

1. General information

Greater Gabbard OFTO Intermediate Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 4. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

These financial statements are presented in pounds sterling because that is the currency in which the Company operates.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Going concern

The Greater Gabbard Group's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 2 and the Directors' Report on pages 3 to 4.

The Directors have considered the ability of government authorities to continue to pay transmission revenue due to Greater Gabbard OFTO Plc and consider it is not unreasonable to assume that the UK Government will continue to meet its obligations in this respect. The Company's forecasts and projections, taking account of reasonably possible counterparty performance, show the Company expects to be able to continue to operate for the full term of the licence.

Secured debt has been obtained and procured by Greater Gabbard OFTO Plc through a contract to finance the purchase and operation of the licence. The Group's projections show that the project is expected to generate positive cash flows during the life of the concession.

Greater Gabbard OFTO Intermediate Limited

Notes to the Financial Statements (continued)

For the year ended 31 March 2016

2. Significant accounting policies (continued)

After making enquiries, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made, the Company's Directors have a reasonable expectation that the Company will be able to meet its obligations. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial Instruments

Financial assets, liabilities, and equity instruments are classified according to the substance of the contractual arrangements entered into, and recognised on the trade date.

Trade and loan receivables, including time deposits and demand deposits, are initially recognised at fair value and subsequently measured at amortised cost, less any appropriate allowances for estimated irrecoverable amounts. A provision is established for irrecoverable amounts when there is objective evidence that amounts due under the original payment terms will not be collected. Indications that the trade or loan receivable may become irrecoverable would include financial difficulties of the debtor, likelihood of the debtor's insolvency, and default or significant failure of payment.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost.

Borrowings, which include fixed interest-bearing debt, are recorded at their carrying value which reflects the proceeds received, net of direct issue costs.

Taxation

The Company has made a profit of £nil (2015: £nil) during the year and consequently there is no charge to corporation tax.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Critical accounting judgements and key sources of estimation uncertainty (continued)

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Company's investment property portfolios and concluded that the Company's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Company's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Company has not recognised any deferred taxes on changes in fair value of investment properties as the Company is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Greater Gabbard OFTO Intermediate Limited

Notes to the Financial Statements (continued)

For the year ended 31 March 2016

2. Significant accounting policies (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Critical accounting judgements and key sources of estimation uncertainty (continued)

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has set up a valuation committee, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

Impairment of investments in subsidiaries

Determining whether the company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the balance sheet date was £45,989k (2015:£45,989k) with no impairment loss recognised in 2016 or 2015.

Accounting developments

Accounting standards as applied to these financial statements

In preparing the financial statements the subsidiary has complied with IFRS, International Accounting Standards (IAS) and interpretations applicable for 2015/16. Interpretations and amendments have been adopted by the Company in the current period:

- Improvements to IFRSs (2010-2012)
- Improvements to IFRSs (2011-2013)

The above new and amended standards do not have a material quantitative effect on the Company. At the date of authorisation of the financial statements, the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and in some cases had not yet been adopted by the EU:

- IFRS 9 Financial Instruments;
- IFRS 14 Regulatory Deferral Accounts;
- IFRS 15 Revenue from Contracts with Customers;
- IFRS 16 Leases;

Greater Gabbard OFTO Intermediate Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

2. Significant accounting policies (continued)

Accounting developments (continued)

Accounting standards as applied to these financial statements (continued)

Amendments to the following standards:

- IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exemption;
- IFRS 11: Accounting for Acquisitions of Interests in Joint Operations;
- IAS 1: Disclosure Initiative;
- IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation;
- IAS 16 and IAS 41: Agricultural: Bearer Plants;
- IAS 27: Equity Method in Separate Financial Statements.

With the exception of the items disclosed below, the above standards and interpretations are either not relevant to the Company's current activities or are not expected to have any significant impact on the measurement of assets or liabilities or disclosures in the financial statements. Those standards and interpretations that are expected to impact on the financial statements, either by way of measurement or disclosure, are as follows:

IFRS 9, 'Financial instruments' – classification and measurement

IFRS 9 currently expected to be effective with the effect from the financial year commencing 1 April 2018, although the effective date for adoption may change as a result of an on-going consultation process. The Company does not expect that the adoption of IFRS 9 will lead to any material measurement changes as compared with the policies currently adopted by the Company. However, it is expected that IFRS 9 will require additional and different disclosures to those currently provided

3. Auditor's remuneration and remuneration of Directors and employees

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £500 (2015: £500) and were borne by Greater Gabbard OFTO Plc.

The Directors received no salary, fees or other benefits in the performance of their duties in the current or preceding year. Directors' fees of £nil (2015: £nil) were paid by the Company. The Company had no employees in the current or preceding year. All costs of the Directors and other staff are borne by the shareholders who second their employees to Greater Gabbard OFTO Plc.

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

4. Finance income (net)

	2016	2015
	£'000	£'000
Interest receivable on secured subordinated loan stock	4,612	4,599
Interest payable on secured subordinated loan stock	(4,612)	(4,599)
	-	-

Greater Gabbard OFTO Intermediate Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

5. Income tax charge

Taxation on items included in the income statement

The taxation charge for the year is £nil (2015: £nil).

6. Fixed asset investments

	2016	2015
	£'000	£'000
Secured subordinated loan stock in fellow subsidiary undertaking	<u>45,989</u>	<u>45,989</u>
	<u>45,989</u>	<u>45,989</u>

The loan stock bears interest at a rate of 10% and is repayable in instalments between 2032 and 2034.

7. Receivables: due within one year

	2016	2015
	£'000	£'000
Accrued interest on subordinated loan stock	<u>1,106</u>	<u>-</u>
	<u>1,106</u>	<u>-</u>

8. Creditors: amounts falling due within one year

	2016	2015
	£'000	£'000
Accrued interest on subordinated loan stock	<u>1,106</u>	<u>-</u>
	<u>1,106</u>	<u>-</u>

9. Creditors: amounts falling due after one year

	2016	2015
	£'000	£'000
Loan stock (repayable after more than five years)	<u>45,989</u>	<u>45,989</u>
	<u>45,989</u>	<u>45,989</u>

The secured subordinated loan stock is issued by the Company to the shareholders in proportion to their equity share holdings in Greater Gabbard OFTO Holdings Limited. The loan stock bears interest at a rate of 10% and is repayable in instalments between 2032 and 2034.

Greater Gabbard OFTO Intermediate Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

10. Called Up Share Capital

	2016 £	2015 £
Authorised, called up and fully paid:		
1 ordinary share of £1	<u>1</u>	<u>1</u>

The called up share capital was allotted and fully paid on 10 December 2012.

The Company has one class of ordinary shares which carries no right to fixed income.

11. Retained Earnings

	2016 £'000	2015 £'000
At 1 April 2015 / 2014	-	-
Retained profit for the year	<u>-</u>	<u>-</u>
At 31 March	<u>-</u>	<u>-</u>

12. Reconciliation of movement in shareholders' funds

	2016 £'000	2015 £'000
At 1 April 2015 / 2014	-	-
Retained profit for the year	<u>-</u>	<u>-</u>
At 31 March	<u>-</u>	<u>-</u>

13. Ultimate parent company and controlling party

The Company's immediate parent company is Greater Gabbard OFTO Holdings Limited which is incorporated in the United Kingdom and registered in England and Wales. The Company's ultimate parent companies and controlling parties changed as per the following:

- On 1 December 2015, AMP Capital Investors (European Infrastructure No.4) S.a.r.l. (the AMP Seller) entered into a sale and purchase agreement (the AMP SPA) with Equitix Infrastructure 4 Limited (the AMP Purchaser) under which the AMP Seller agreed to sell to the AMP Purchaser 100% of the issued share capital of AMP Capital Investors UK Cable Limited, which in turn holds 17,000 shares in Greater Gabbard OFTO Holdings Limited representing one third of its issued share capital, giving a total shareholding of 33.33% to Equitix Infrastructure 4 Limited.
- On 2 December 2015, Balfour Beatty OFTO Holdings Limited (the BB Seller) entered into a sale and purchase agreement (the BB SPA) with, among others, Equitix Transmission 2 Limited (the BB Purchaser) under which the BB Seller agreed to sell to the BB Purchaser 17,000 shares in Greater Gabbard OFTO Holdings Limited, representing one third of the issued share capital, giving a total shareholding of 66.67% to Equitix Transmission 2 Limited.

14. Related party transactions

	Parent Company		Loan stock		Interest paid		Interest Accrued	
	2016	2015	2016	2015	2016	2015	2016	2015
			£'000	£'000	£'000	£'000	£'000	£'000
Balfour Beatty OFTO Holdings Limited	-	33.33%	-	15,329	769	1,536	-	-
Equitix (AMP) Capital Investors UK Cable Limited	33.33%	33.33%	15,329	15,329	1,169	1,536	369	-
Equitix Transmission 2 Limited	66.67%	33.33%	30,658	15,329	1,569	1,536	737	-