

Company registration number 08180541 (England and Wales)

**GREATER GABBARD OFTO HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

GREATER GABBARD OFTO HOLDINGS LIMITED

COMPANY INFORMATION

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|-------------------|-------------------------------------------------------------------------------------|
| Directors         | Tarkan Pulur<br>Jonathan Ball<br>(Appointed 16 December 2024)                       |
| Company number    | 08180541                                                                            |
| Registered office | 3rd Floor, South Building<br>200 Aldersgate Street<br>London<br>England<br>EC1A 4HD |
| Auditor           | MHA<br>6th Floor<br>2 London Wall Place<br>London<br>EC2Y 5AU                       |

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GREATER GABBARD OFTO HOLDINGS LIMITED

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# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Introduction

This Operating and Financial Review explains the operations of Greater Gabbard OFTO Plc ("the Subsidiary") and the main trends and factors underlying the development and performance of the Company during the year ended 31 March 2025, as well as those matters which are likely to affect its future development and performance.

Greater Gabbard OFTO Holdings Limited ("GGOHL" or "Company") is an investment holding company whose sole business is the holdings of investments in its wholly owned subsidiaries, Greater Gabbard OFTO Intermediate Limited and Greater Gabbard OFTO Plc, which together form the Greater Gabbard OFTO Group ("the Group").

GGOHL's subsidiary Greater Gabbard OFTO Plc (the "Subsidiary" and "the licensee"), is a public company limited by shares and a holder of an Offshore Electricity Transmission Licence ("the Licence") granted under the Electricity Act 1989. The Licence was awarded to the Company on 26 November 2013 by The Gas and Electricity Markets Authority ("the Authority").

The ultimate controlling parties of the Group are Equitix Transmission 2 Ltd and Equitix Capital Investors UK Cable Limited. The Group companies are registered in England and Wales, United Kingdom.

The Subsidiary's principal activity is to provide an electricity transmission service to National Grid Electricity System Operator Ltd ("NGESO") - the electricity transmission system operator for Great Britain. The Subsidiary owns and operates a transmission system that electrically connects an offshore wind farm generator to the onshore transmission system operated by NGESO.

#### Background

The Office of Gas and Electricity Markets ("Ofgem"), in partnership with the Department for Energy, Security and Net Zero, has developed a regulatory regime for electricity transmission networks connecting offshore wind farms to the onshore electricity system. A key feature of this regime is that the transmission assets required by offshore generators should be owned and operated by offshore transmission owners ("OFTOs"). OFTOs are subject to the conditions of a transmission licence.

The Subsidiary holds the Licence, awarded by the Authority on 26 November 2013. The asset was purchased by the use of bonds and subordinated debt. This Licence, amongst other matters, permits and requires the Subsidiary to maintain and operate the Greater Gabbard offshore electricity transmission assets in perpetuity with a revenue entitlement period of 20 years from the date funds were drawn on 29 November 2013. The Subsidiary's offshore electricity transmission system exports the output of the Greater Gabbard wind farm owned by Greater Gabbard Offshore Winds Limited ("GGOWL") to NGESO's onshore electricity transmission system.

The Electricity and Gas (Internal Markets) Regulations 2011 require all transmission system operators such as the Subsidiary to be certified as complying with the unbundling requirements of European Parliament Directive concerning common rules for the internal market in electricity ("the third package"). This is essentially a separation of control between the electricity generators and transmission owners. On 2 August 2013, the Subsidiary was issued a certificate pursuant to section 10D of the Electricity Act 1989 by the Authority confirming its compliance with the third package requirements. The Subsidiary has ongoing obligations and is required to make certain ongoing declarations to the Authority to ensure compliance with the terms of the certificate which it has met through to the date of this report.

#### The Subsidiary's offshore electricity transmission system

The Subsidiary transmits the electrical power of the Greater Gabbard wind farm from the offshore connection point of the Subsidiary's electrical assets with the electrical assets owned by GGOWL to the onshore connection point of the Subsidiary's assets with the electricity transmission system of NGESO. The roles and responsibilities of parties at electrical connection points are dealt with through Interface Agreements and industry codes.

The Greater Gabbard offshore wind farm comprises 140 turbines, with a combined capacity of around 504 megawatts ("MW"), and is located off the Suffolk coast in two zones approximately 40km east of Harwich in the Thames Estuary. The power that is generated by the wind farm is transported to shore by the Company and connects into the NGESO system at Sizewell in Suffolk.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### **The Subsidiary's offshore electricity transmission system (continued)**

The wind farm turbines are interconnected in "strings" by medium voltage (33kV) submarine cables that act as a power collection and transport system. The medium voltage cables are owned by GGOWL and run to the offshore electricity substations that are owned by the Subsidiary. At the Inner Gabbard offshore electricity substation the voltage is "stepped up" to 132kV by an electrical transformer and then transported to land by three 45.5km high voltage submarine cables buried in the sea bed. There is a further high voltage submarine cable, 16km in length, which connects the Galloper OSP (off shore platform) to the Inner Gabbard OSP. At landfall the submarine cable is joined to a buried land cable that runs for 0.59km to the Subsidiary's onshore electricity substation at Sizewell. At the Leiston substation the power factor of the electricity is corrected using reactive compensation equipment and the transported power is then connected into NGESO's electricity transmission system.

#### **The Subsidiary's long term business objectives**

The Subsidiary is a special purpose vehicle formed to hold the Licence. Its non-financial objectives are, therefore, consistent with the objectives of the Licence. The Subsidiary will achieve these objectives by compliance with the Licence, industry codes and legislation and by operating and maintaining its transmission system in accordance with good industry practice.

The Subsidiary's financial objective is to provide financial returns to shareholders consistent with, or in excess of, the business plan that supported its tender offer for the Greater Gabbard offshore transmission system. The Subsidiary will achieve this objective by:

- meeting its revenue targets by operating the transmission system at availability levels equal to, or higher than, the Licence target;
- adopting and maintaining a financing structure that is, as a minimum, as efficient as that contemplated by the business plan; and
- controlling costs and seeking efficiency improvements.

#### **The Subsidiary's operating model**

The Subsidiary's operating model is to outsource all operational and maintenance ("O&M") activities including asset management capability. O&M activities are outsourced to EDS HV Management Limited ("EDS"). Equitix Management Services Limited ("EMS") performs certain financial and management services to the Subsidiary through a Professional Services Agreement ("PSA"). As part of its general asset management responsibilities EMS fulfils the role of an 'informed buyer' to ensure that the outsourced O&M services are of the required quality to ensure that the Subsidiary meets its Licence obligations and complies with good industry practice. The Subsidiary has mitigated the performance risk of its outsourced service providers through the O&M and PSA contract.

#### **The Subsidiary's approach to managing the business**

The Subsidiary's general approach to the management and operation of its business is based on ensuring that the right balance is achieved between cost, quality, performance, innovation and financial returns so as to optimise the cost of its services to the end consumer. In doing so the Subsidiary:

- has a relentless focus on transmission system availability;
- recognises that the inherently hazardous nature of the Subsidiary's assets and operations requires an extraordinary focus on Health, Safety and the Environment ("HS&E");
- has the right contractors / subcontractors working safely to standards using the right processes, technology and systems;
- has implemented a risk management approach that ensures that risks are assessed, managed and reported appropriately; and
- has adopted a governance framework that enforces compliance with law, regulations and licence conditions.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### **Principal regulatory, industry contracts and industry code matters**

The Subsidiary enjoys benefits and is subject to a number of regulatory and contractual obligations arising from and including: the Licence; the Transmission Owner Construction Agreement ("TOCA") with NGESO and the System Operator – Transmission Owner Code ("STC"). The Subsidiary's operations are also subject to a range of industry specific legal requirements.

A summary of some of the major features of the Licence, industry contracts and electricity code matters are described below.

#### *Licence obligations*

Under the terms of the Licence the Subsidiary is required to carry out its licenced activities and have in place governance arrangements that ensure (amongst other obligations) that the Subsidiary does not provide cross-subsidies to, or receive cross-subsidies from any other business of the Licensee or of any affiliate. In addition, the Licence places restrictions on the Subsidiary's activities and how it conducts its transmission activities. In carrying out its transmission activities it must do so in a manner that does not confer upon it an unfair commercial advantage, in particular, in relation to any activity that does not relate to the operation of the offshore transmission business.

A failure by the Subsidiary to materially comply with the terms of the Licence could ultimately lead to the revocation of the Licence. The Board of Directors takes very seriously its obligations to comply with the terms of the Licence and has processes, procedures and controls in place to ensure compliance.

#### *Regulated revenue and incentives*

The Licence awarded by the Authority to the Subsidiary determines how much the Subsidiary may charge for the OFTO services that it provides to NGESO in any relevant charging year in accordance with a regulatory formula. The charging year is from 1 April to 31 March. The Licence also provides the Subsidiary with an incentive to ensure that the offshore transmission assets are available to transmit electricity by reference to the actual availability of the Subsidiary's transmission system in any given calendar year versus the regulatory target. The regulatory target availability is 98% of the total megawatt hour capacity of the Subsidiary's electricity transmission system (as determined by the Subsidiary's System Capability Statement) in any given calendar year, or part thereof.

To the extent that the cumulative net penalty, if applied, to the Subsidiary's charges would result in those charges being reduced by more than 10% of the base revenue for that year, the excess net penalty is carried forward on a cumulative and notional basis and aggregated with additional credits and penalties arising in the subsequent period. The maximum period that penalties relating to a particular calendar year can be carried forward is five years.

As a result of the arrangements described above, there are a number of risks that Subsidiary faces that affect the level of transmission system availability and therefore affect potential incentive credits and penalties. The principal risks associated with transmission system availability stem from the following:

- 1) The inherent design of the transmission system e.g. system redundancy;
- 2) The management of maintenance activities so that the assets are maintained to good industry practice, and where possible, the Subsidiary seeks to carry out such maintenance without the need for planned outages whilst having regard to the safe operation of those assets; and
- 3) The management of planned outages of the transmission system having regard to the activities of other interested parties and to bias such outages towards those periods during the year with the lowest system availability targets and related penalties or credits.

As the end of the 20 year Licence period approaches in 2033, the agreed regulatory formula relating to the Subsidiary's ability to collect credits as explained above changes. There is an acceleration of the Subsidiary's ability to collect such credits in its invoicing.

In certain circumstances, and in respect of certain costs, such as non-domestic rates relating to the Subsidiary's onshore electricity network and costs charged by the Authority associated with running the OFTO tender regime, the Subsidiary is permitted under the terms of its Licence to pass these costs to its customer by altering charges as required.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### Principal regulatory, industry contracts and industry code matters (continued)

##### *Transmission system capability (capacity)*

As described above, the Subsidiary is incentivised to provide the maximum transmission system availability as is possible having regard to the safe running of the system. The maximum availability of the system is defined in the Licence and is expressed in megawatt hours (MWhr).

Under the terms of the TOCA with NGENSO, the Subsidiary provides a transmission service on the basis of a declared maximum capacity of the transmission system. The declared maximum capacity for Performance Year ended 31 December 2024 was 500 MW. The practical significance of the declared maximum capacity is that the maximum declared capacity of the transmission system determines the maximum MWhr availability of the transmission system for the purpose of comparing with the Subsidiary's actual transmission availability during any performance year – which in turn determines the Subsidiary's performance credits or penalties as described under Regulated revenue and incentives earlier in this Operating and Financial Review.

The Subsidiary has provided 98.97% transmission capacity based on the declared maximum capacity of the transmission system during the performance year ended 31 December 2024 – see Transmission System Availability below. In the incentive period January to March 2025 the transmission capacity was 100.00%. The Subsidiary minimises the risk of unexpected outages (and incurring related performance penalties) or incurring unexpected repair costs by carrying out appropriate maintenance in accordance with good industry practice.

Transmission charges are based on the target transmission system availability of 98%, and increase on 1 April following any given year by reference to the average rate of increase in the UK retail price index ("RPI") in the year to the previous December. The revenue derived from charges based on this target availability represents the Subsidiary's "base revenue". For the avoidance of doubt, the Subsidiary's transmission charges are not exposed to commodity risk and are not exposed to any generation risk.

As previously noted, the Licence contains mechanisms to incentivise the Subsidiary to provide the maximum possible electricity transmission system availability, having regard to the safe running of the system. The Subsidiary is incentivised on a monthly basis with higher targets, and higher potential penalties or credits, in the winter months, and lower targets, and lower potential penalties or credits, in the summer months. These incentive mechanisms help drive the management of the Subsidiary to manage proactively the transmission system availability across the year by focusing maintenance activities, which could lower transmission system availability, into those months with the lowest targets and related penalties or credits.

If the achieved transmission system availability is different to the target availability then there is a mechanism contained within the Licence that could potentially affect the Subsidiary's charges and hence its revenue in future periods. The Licence provides for adjustments to "base revenue" where the OFTO's system availability performance is different to the target system availability. If transmission system availability in any given year is in excess of the target availability level then credits are "earned" and if availability is less than target then penalties accrue. The Subsidiary is then permitted or required to change its prices to reflect the credits earned or penalties accrued as necessary. The maximum credit which the Subsidiary can "earn" and collect in charges amounts to around 5% of base revenue for that year and the maximum penalty that can be reflected in charges is around 10% of base revenue for that year. The detailed mechanism that is used to adjust charges to reflect these credits and penalties in charges is described below.

The penalties and credits are recorded on a monthly, but notional basis, during each calendar year. Individual net monthly penalties are first offset against any brought forward net cumulative credits from the previous calendar year. Thereafter, individual monthly net penalties are eligible for offset against credits arising in the current calendar year. If at the end of any calendar year there is a cumulative net credit, this net credit is eligible for collection in charges as an adjustment to charges at the beginning of the sixth financial year following the end of the calendar year in which the first credit arose. The maximum amount of credit that is eligible to be reflected in charges in the sixth financial year is the lesser of the credit that arose in the first calendar year and the cumulative net credit outstanding at the end of the preceding calendar year.

In respect of net penalties which are outstanding at the end of the calendar year then, in principle, the charges in respect of the following financial year are lowered by an amount that would reduce the charges for that financial year by the amount of the net penalty. However, the reduction in charges can never exceed 10% of the base revenue for that year.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### Transmission system quality of supply

The STC sets out the minimum technical, design and operational and performance criteria that Offshore Transmission Owners must ensure that their transmission system can satisfy. For the Subsidiary's transmission system the most significant requirements are in respect of the reactive power capability, voltage control and the quality of the power (as measured by harmonic performance) deliverable at the connection point of the Subsidiary's transmission system with NGESO's transmission system.

The Subsidiary has met its requirements to transmit electricity in accordance with the parameters agreed with NGESO during the year under review.

#### Key performance indicators ("KPIs")

The Subsidiary has identified the following KPIs as being instrumental to the management of the transmission business. Such KPIs include financial and non-financial KPIs:

|                                                                                                          | Definition                                                                                                                                                                                                       | Objective                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial KPI's</b>                                                                                   |                                                                                                                                                                                                                  |                                                                                                                                                                            |
| Profit before taxation                                                                                   | Profit before taxation: £7,590k (2024: <b>£5,193k</b> )                                                                                                                                                          | To increase.                                                                                                                                                               |
| Cash available for debt service                                                                          | Net cash outflow from operating activities less net cash inflow from investing activities £20,294k (2024: £15,469k).                                                                                             | To increase.                                                                                                                                                               |
| <b>Non-Financial KPI's</b>                                                                               |                                                                                                                                                                                                                  |                                                                                                                                                                            |
| Maximise transmission availability                                                                       | Making the transmission system available to transmit electricity over the performance year 1 January 2024 to 31 December 2024: 98.97% (year from 1 January 2023 to 31 December 2023: 93.97%).                    | To exceed the Licence target availability 98%.                                                                                                                             |
| Ensure that the quality of electricity at the export connection point is compliant with SQSS and the STC | To meet the standards set by the SQSS and the STC in relation to voltage control, reactive power and harmonic distortion.                                                                                        | To be compliant. This has been achieved for the year ended March 2025.                                                                                                     |
| HS&E                                                                                                     | 1) Zero lost time accidents ("LTIs") for contractors;<br>2) Zero reportable environmental incidents;<br>3) Compliance with transferred obligations under GGOWL's Marine Management Organisation ("MMO") Licence. | 1) Zero LTIs;<br>2) Zero reportable environmental incidents;<br>3) Compliance with MMO Licence<br>All of the above objectives have been met for the year ended March 2025. |

Where appropriate, adjustments will be made where events give rise to unusual patterns of income, expenditure and/or one-off events.



# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### The Subsidiary's operational performance

The Subsidiary's prime operational objectives are to maximise transmission system availability and to ensure that the quality of electricity at the onshore connection point is compliant with the SQSS and the STC having regard in all respects to the safety of employees, contractors and the general public.

The OFTO has a fully wrapped O&M contract with EDS HV Management Limited that contains requirements to effectively operate and maintain the assets in accordance with the OFTO Operating Approvals. Maintenance is required to be delivered taking into account Statutory obligations, the requirements and recommendations of the Original Equipment manufacturer (OEM) plus condition, age and service duty of the asset. The OFTO regularly monitors O&M delivery performance.

Greater Gabbard OFTO achieved 98.97% availability during the year to 31 March 2025 (2024 : 99.03%).

#### Transmission system availability

The performance of the Subsidiary's transmission system for the performance year ended 31 December 2024 and 2023 were as tabulated below:

| MW Hours                                            | Note | Performance Year ended 31 December 2024 | Performance Year ended 31 December 2023 |
|-----------------------------------------------------|------|-----------------------------------------|-----------------------------------------|
| Maximum system availability (capability - MWhrs)    | (a)  | 4,383,000                               | 4,383,000                               |
| Actual system availability (MWhrs)                  |      | 4,338,042                               | 4,118,575                               |
| Actual system availability (%)                      |      | 98.97%                                  | 93.97%                                  |
| Regulatory target system availability (%)           |      | 98%                                     | 98%                                     |
| <b>Availability credits (MWhrs)</b>                 |      |                                         |                                         |
| Availability credits at 1 January                   |      | 789,126*                                | 809,479                                 |
| Net availability / credits for the performance year |      | 59,574                                  | -181,920                                |
| Net availability credits at 31 December             |      | 848,700                                 | 627,559                                 |

\*The availability credits at 1 January 2024 have increased from the previously reported information due to the reversal of penalties following the approval of an exceptional events claim with OFGEM.

The performance of the Subsidiary's transmission system for the performance quarter ended 31 March 2025 and 2024 were as tabulated below:

| MW Hours                                               | Note | Performance Period 1 January 2025 to 31 March 2025 | Performance Period 1 January 2024 to 31 March 2024 |
|--------------------------------------------------------|------|----------------------------------------------------|----------------------------------------------------|
| Maximum system availability (capability - MWhrs)       | (a)  | 1,083,000                                          | 1,083,000                                          |
| Actual system availability (MWhrs)                     |      | 1,083,000                                          | 1,083,000                                          |
| Actual system availability (%)                         |      | 100.00%                                            | 100.00%                                            |
| Regulatory target system availability (%)              |      | 98%                                                | 98%                                                |
| <b>Availability credits (MWhrs)</b>                    |      |                                                    |                                                    |
| Availability credits at 1 January                      |      | 848,700                                            | 627,559                                            |
| Net availability / credits for the performance quarter |      | 25,124                                             | 25,124                                             |
| Net availability credits at 31 March                   |      | 873,824                                            | 652,683                                            |

(a) The maximum system availability of the Subsidiary's transmission system as declared to NGESO during the performance year.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Quality of supply

The quality of supply constraints agreed with NGESO (see “Transmission system quality of supply” above) requires the Subsidiary to transmit electricity within certain parameters in relation to: voltage control; reactive power; and harmonic distortion. A failure to meet these qualities of supply constraints could result in NGESO requiring the Subsidiary’s transmission system to be disconnected from NGESO’s electricity transmission system, resulting in loss of transmission availability and reduced incentive credits or performance penalties. The Subsidiary closely monitors compliance with these qualities of supply constraints and carries out appropriate maintenance activities consistent with good industry practice to allow the Subsidiary to meet these qualities of supply obligations.

During the financial year the Subsidiary has met its obligations to transmit electricity compliant with these operational obligations. The Subsidiary has continued to comply with these obligations through to the date of this report.

#### Health, safety, and environmental performance

The Board recognises that the nature of its business requires an exceptional focus on health, safety, and the environment. Safety is critical both to business performance and to the culture of the Subsidiary. The operation of the Subsidiary’s assets gives rise to the potential risk that they could injure people and/or damage property if these risks are not properly controlled. Our objective is to eliminate or minimise those risks to achieve zero injuries or harm, and to safeguard members of the general public.

During the year under review there were no health or safety incidents that required reporting under applicable legislation and that contractor “lost days” arising from safety incidents that required reporting under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 were zero.

The Subsidiary is committed to reducing the environmental impact of its operations to as low as practically possible. The Subsidiary will do so by reducing the effect its activities have on the environment by: respecting the environmental status and biodiversity of the area where the Subsidiary’s assets are installed; considering whole life environmental costs and benefits in making business decisions; looking for ways to use resources more efficiently through good design, use of sustainable materials, responsibly refurbishing existing assets, and reducing and recycling waste; and continually improving management systems to prevent pollution and to reduce the risk of environmental incidents.

The Board is pleased to report that during the year under review there were no environmental incidents or matters raised by the Subsidiary’s Operations and Maintenance contractor that required reporting to any relevant competent authority and that it had complied with the Marine licence obligations transferred under the Sale and Purchase Agreement (“SPA”) by GGOWL when the transmission assets were acquired by the Subsidiary.

#### Stakeholder relationships

The potentially hazardous nature of the Subsidiary’s operations and the environmentally sensitive nature of the locations where its assets are located require the Subsidiary to engage and communicate with a wide audience of stakeholders and to establish good relationships with them. As well as industry participants and local and national government bodies this audience includes: Port Authorities; the emergency services; the maritime community; environmental agencies and organisations; landowners and the general public. Accordingly the Subsidiary has established a stakeholder matrix and implemented a stakeholder engagement and communications plan. The Directors consider that stakeholder relationships are satisfactory.

#### Principal risks and uncertainties

The principal risks and uncertainties faced by the Subsidiary have been discussed and referenced in this Operating and Financial Review, alongside a discussion of the operational and financial performance of the Subsidiary.

#### The Group’s financial performance

##### Summary

The financial performance of the Group for the year ended 31 March 2025, and its financial position as at 31 March 2025, was satisfactory and is summarised below. In this report all numbers have been rounded to the nearest £1,000 where each £1,000 is represented by the symbol £k.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### The Group's financial performance (continued)

The Group reports its results in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations) as adopted for use in the United Kingdom ("UK adopted IFRS") and those parts of the Companies Act 2006 relevant to companies preparing their financial statements in accordance with UK adopted IFRS.

|                                                                    | 2025<br>£'000 | 2024<br>£'000 |
|--------------------------------------------------------------------|---------------|---------------|
| Operating profit/(loss)                                            | 1,089         | 1,060         |
| Net finance income                                                 | 6,501         | 4,133         |
| Profit before taxation                                             | 7,590         | 5,193         |
| Taxation                                                           | (3,258)       | (4,353)       |
| Profit after taxation                                              | 4,332         | 860           |
| Net cash inflow from operating activities and investing activities | 20,294        | 15,469        |

#### Operating and finance income

Operating and finance income is derived from the Subsidiary's activities as a provider of transmission services. The vast majority of the Subsidiary's income is derived from NGESO. Finance income for the year amounted to £17,050k (2024: £16,567k), and represents the finance income that would have been generated from an efficient stand-alone "transmission owner". The finance income has been recorded in accordance with the principal accounting policies adopted by the Group. A discussion of the critical accounting policies adopted by the Group is shown in the accounting policies section of the financial statements commencing on page 34.

Operating income for the year amounted to £6,365k (2024: £5,274k) and primarily represents the operating income that would be generated by an efficient provider of operating services to NGESO, our principal customer. Such services include those activities that result in the efficient and safe operation of the transmission assets, and are reflective of the costs incurred in providing those services, including the cost of insuring those assets on behalf of a stand-alone transmission owner. Operating income has been recorded in accordance with the principal accounting policies adopted by the Group.

#### Operating costs

Operating costs for the year amounted to £5,276k (2024: £4,214k). This increase has been driven by a £1,199k payment to EDS as part of the availability sharing mechanism as laid out in the Operations and Maintenance Agreement. The most significant costs included within operating costs for the year were those costs associated with:

|                            | 2025    | 2024    |
|----------------------------|---------|---------|
| Operations and maintenance | £3,252k | £1,898k |
| Insurance                  | £1,158k | £1,276k |
| Professional service fees  | £22k    | £323k   |
| Non-domestic rates         | £635k   | £635k   |

#### Operating profit

Operating profit being the net of operating income and operating costs amounted to a profit of £1,089k (2024: £1,060k).

#### Interest income

Interest income relates to interest on bank deposit of £1,718k (2024: £1,554k) and notional interest of £15,332k (2024: £16,567k).

# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Finance costs

Finance costs amounted to £10,550k (2024: £13,988k). Funding was required to acquire the transmission system Transmission owner asset from GGOWL and the acquisition of the Transmission owner asset took place on 29 November 2013.

The vast majority of the finance costs relates to the interest cost of servicing senior debt holders £7,698k (2024: £8,328k) and holders of subordinated debt £2,694k (2024: £5,325k). Interest expense and other financial costs arise from the cost of debt used to finance the acquisition of the Transmission owner asset.

#### Taxation

The net taxation charge on profit before taxation for the year is £3,258k (2024, charge: £4,353k) and relates solely to deferred taxation. There was no current taxation arising in the year (2024: £nil) as the Group incurred taxable losses. The taxation charge for the year has been computed at 25% (2024: 25%).

A taxation credit of £1,016k (2024: £291k) has been recognised in other comprehensive income relating to pre-taxation gains arising on marking the Group's cash flow hedges to market at 31 March 2025.

The taxation charge relates solely to deferred taxation as the Group incurred taxable losses during the year. This taxation charge has been computed at 25% (2024: 25%).

#### Profit after taxation

Profit for the year after taxation amounted to £4,332k (2024: £840k).

#### Cash flows

Net cashflows generated from operating activities amounted to £18,577k (2024: £13,915k) primarily reflecting the cash outflows relating to operating activities and cash received from the unitary charge during the year to 31 March 2025.

Net cash inflows from investing activities relates to interest earned from bank deposits amounted to £1,717k (2024: £1,554k).

Net cashflows from financing activities relates to repayment of principal balances on senior debt and amounted to £15,741k (2024: £15,242k).

Payments to subordinated debt holders during the year amounted to £4,880k (2024: £8,800k).

No corporation tax was paid in the year (2024: £nil).

No dividend was paid in the year (2024: £nil).

There were no undisclosed dividends proposed between the year end and the date of the approval of the financial statements.

#### Consolidated Statement of Financial Position and consideration of financial management

#### Going concern

Having made enquiries, the Directors consider that the Group has adequate resources to continue in business for the foreseeable future, and at least 12 months from the date of approval of these financial statements. Additionally, the entity will continue to meet its liabilities as they fall due, and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements of the Group. More details of the Group's funding and liquidity position are provided under the headings "Current funding structure" and "Going concern, Liquidity and treasury management" below.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### Statement of Financial Position

The Group's Statement of Financial Position as at 31 March 2025 is summarised below:

|                                       | <b>Assets<br/>£'000</b> | <b>Liabilities<br/>£'000</b> | <b>Net assets<br/>£'000</b> |
|---------------------------------------|-------------------------|------------------------------|-----------------------------|
| Non-current Transmission owner assets | 217,013                 | -                            | 217,013                     |
| Non-current deferred taxation         | -                       | (10,330)                     | (10,330)                    |
| Decommissioning provision             | -                       | (10,997)                     | (10,997)                    |
| Current assets and liabilities (1)    | 59,878                  | (2,207)                      | 57,671                      |
|                                       | <u>276,891</u>          | <u>(23,534)</u>              | <u>253,357</u>              |
| Borrowings                            | -                       | (225,908)                    | (225,908)                   |
| Derivatives financial liabilities     | -                       | (15,894)                     | (15,894)                    |
|                                       | <u>-</u>                | <u>-</u>                     | <u>-</u>                    |
| <b>Totals at 31 March 2025</b>        | <u>276,891</u>          | <u>(265,336)</u>             | <u>11,556</u>               |
| Totals at 31 March 2024               | <u>285,850</u>          | <u>(281,674)</u>             | <u>4,176</u>                |

(1) Excluding borrowing

#### Transmission owner asset and decommissioning

The Transmission owner asset is a financial asset and is carried at the costs incurred, and directly attributable to the acquisition of the Greater Gabbard offshore transmission system at the date of acquisition, plus finance income less receipts attributable to the carrying value of that asset and is carried at amortised cost. The net result being that the carrying value of the Transmission owner asset reflects the application of the effective interest rate method, and is determined in accordance with the principal accounting policies adopted by the Group. A discussion of the critical accounting policies adopted by the Group that give rise to this balance is shown in the accounting policies section of the financial statements commencing on page 34.

The Transmission owner asset was acquired on 29 November 2013 from Greater Gabbard Offshore Winds Limited. The total costs of acquisition of this asset amounted to £317.1m. The estimate of the costs of decommissioning the Transmission owner asset at the end of its economic useful life in 2033 amounted to £19,065k (2024: £19,499k). These costs will be incurred from year 18 onwards.

This amount differs to the £10,997k in the table above due to discounting.

#### Deferred taxation

The Group has recognised a deferred taxation liability of £14,302k (2024: £11,046k) which reflects the recognition, in full, of the deferred taxation impact of all temporary differences arising to March 2025, including taxable losses. This is offset by a deferred tax asset of £3,973k (2024: £4,989k) relating to pre-taxation gains arising on marking the Group's cash flow hedges to market at 31 March 2025, which gives a total deferred tax liability of £10,330k (2024: £6,057k).

#### Net debt

Net debt is defined as all borrowings (senior and subordinated debt) less the carrying value of all financial derivative contracts that are marked to market (UK Retail Price Index (RPI) related swaps).

At 31 March 2025 net debt stood at £212,718k (2024: £239,056k) and included £15,893k (2024: £19,958k) relating to the carrying value of financial derivatives that were marked to market at that date.

A discussion of the capital structure and the use of financial derivatives is provided below.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### Current funding structure

The Company is funded through a combination of senior debt, subordinated debt and equity in accordance with the Directors' objectives of establishing an appropriately funded business consistent with that of a prudent offshore electricity transmission operator, and the terms of all legal and regulatory obligations including those of the Licence and the Utilities Act 2000.

Senior debt is comprised of fixed rate bonds credit enhanced by the European Investment Bank's ("EIB") Project Bond Credit Enhancement ("PBCE") instrument at a level of 15% of senior bonds outstanding. All senior debt is serviced on a six monthly basis and is expected to amortise over the life of the project through to November 2032. The total carrying value of the bonds outstanding at 31 March 2025 amounted to £174,325k (2024: £190,063k) .

The subordinated loan ranks behind the senior debt and is held by the Company's intermediate holding Company, Greater Gabbard OFTO Intermediate Limited ("GGOIL"). The subordinated loan was issued by GGOIL on a commercially priced basis, and carries a fixed rate coupon. At 31 March 2025 the total principal carrying value of the subordinated loan outstanding amounted to £45,989k (2024: £45,989k).

Ordinary equity share capital amounted to £51k at 31 March 2025 (2024: £51k).

#### Going concern, liquidity, and treasury management

As indicated previously, the Directors have confirmed that after due enquiry they have sufficient evidence to support their conclusion that the Company is a going concern, and has adequate resources in the foreseeable future to meet its ongoing obligations, including the servicing of bond holders, as those obligations fall due. This conclusion is based on a number of factors which are summarised below.

The expected cash in-flows that are likely to accrue to the Company over the foreseeable future from its electricity transmission operations are highly predictable, and will not fall below a certain level as explained above under "Regulated revenue and incentives". In addition, NGESO, as a condition of its regulatory ring-fence, is required to use its reasonable endeavours to maintain an investment grade credit rating and, therefore, the likelihood of payment default by NGESO is very low. As at 31 March 2025 there were no sums outstanding from NGESO (2024: £nil) and from 31 March to the date of this report all amounts due from NGESO had been received on time.

The Company enjoys certain protections afforded under the Licence granted to the Company. In particular, provided that the Company can demonstrate that it has applied good industry practice in the management of the Company and its assets, then in the event that an unforeseen incident results in the Company suffering a loss in excess of £1,000k (in so far as it relates to its activities under the Licence) it can apply to the Authority for an income adjusting event and recover the lost amount.

The Company has also put in place prudent insurance arrangements primarily in relation to property damage such that it can make claims in the event that an insurable event takes place and thereby continue in business.

The Licence protections together with the insurance arrangements reduce uncertainties and address certain risks regarding loss/destruction of assets that arise from remote and/or catastrophic events.

The Company has also entered into certain hedging and other contractual arrangements that have been put in place to achieve a high degree of certainty (and thereby reduce uncertainty) as to the likely cash out-flows that are expected to occur over the life of the project.

The hedging arrangements are explained in more detail below under Hedging arrangements. In summary the RPI swaps have the impact of effectively converting a proportion of the RPI variable cash flows arising from the Company's transmission services activities into a known series of cash flows over the life of the project.

Other contractual arrangements with third parties have been entered into that have a pricing mechanism that features linkages to RPI or other indices, which has the effect of reducing the uncertainty as to the quantum and frequency of cash outflows arising.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

As a consequence, it is the opinion of the Directors that the costs and related cash flows associated with these arrangements are more likely than not to vary in a similar manner with the principal cash inflows generated by the Company in relation to its transmission services that are not subject to the RPI swaps arrangements.

The Company also has access to a liquidity facility of £7,715k (2024: £6,884k) that the Company can access in the event that it has an insurable or income adjusting event.

The EIB has provided a letter of credit at a level of 15% of senior bonds outstanding which is £26,149k at 31 March 2025 (2024: £28,510k) as a form of subordinated credit enhancement instrument for the Company in relation to the bonds and the hedging agreements.

Under the terms of the loan note instrument, the loan notes are redeemable from 2032.

#### Credit rating

It is a condition of the regulatory ring-fence around the Company that it uses reasonable endeavours to maintain an investment grade credit rating in respect of its senior debt. The rating agency carries out regular and periodic reviews of the rating. The Company has maintained an investment grade credit rating of A3 provided by Moody's in respect of its senior debt consistent with its obligations under the Licence.

During the rating agency's assessment of the Company's credit rating, amongst other matters, the rating agency will and has considered: actual and expected cash flows over the term of the project; the regulatory environment within which the Company operates; the nature of the principal contractual arrangements in place; the insurance arrangements; and the credit risk of all material counterparties in arriving at their assessment of the appropriate credit rating.

It is the Directors' assessment, that having regards to the principal risks and uncertainties regarding cash flows, the creditworthiness of counterparties, the regulatory environment, the insurance arrangements and other matters that are discussed in this Operating and Financial Review, that there are reasonable grounds to believe that the rating agency will continue to confirm that the Company's bonds are investment grade status in the foreseeable future based on the information available to the Directors at the date of this annual report.

#### Ongoing funding requirements

The Company does not expect to have any significant funding requirements over the expected life of the project that will require additional external funding. Debt servicing and other obligations of the Company are expected to be met by the cash inflows generated by the Company. Consequently, based on the current capacity of the existing transmission system operated by the Company, there is minimal refinancing risk.

To the extent that a requirement for significant expenditure is required in the future as a result of additional capital works being required to provide incremental transmission capacity, there is a mechanism in the Company's Licence to allow the Company to increase its charges in respect of such expenditure. The Directors would expect that such additional expenditure would be capable of being funded based on the increased cash flows arising from such additional expenditure. No such additional expenditure is planned or expected in the foreseeable future.

#### Surplus funds

The Company invests surplus funds in term deposits with banks that have a short term senior debt rating of at least A-1 or better issued by Standard & Poor's, or P-1 or better issued by Moody's. Of the cash and cash equivalents, £26,769k (2024: £22,160k) were held in reserve accounts, the Common Terms Agreement ("CTA") defines the requirements to transfer in and withdraw funds from these accounts. If the request is not defined in the CTA the consent of the Company's lenders is required prior to use, but are held for general corporate purposes. A description of the restrictions applied to certain deposits and other matters are referred to below under "Lending covenants and other restrictions".

The Company has some variability of cash flows in relation to the interest it earns on its investments, as typically these investments are held in deposits with a typical maturity of six months or less and earn variable rates of interest. However, in the context of the other cash flows generated by the Company these amounts are insignificant.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### Hedging arrangements

##### General

It is the policy of the Board that the Company will only enter into derivative financial instruments for the purpose of hedging an economic risk. No derivative financial instruments will be entered into unless there is an underlying economic position to be hedged. No speculative positions are entered into.

##### RPI swaps

The Company has entered into arrangements with third parties for the purpose of exchanging the majority (approximately 63.5%) of variable cash inflows arising from the electricity transmission service it provides to NGESO in exchange for a pre-determined stream of cash inflows with the final payment date expected on 29 November 2032. This arrangement meets the definition of a derivative financial instrument. The period covered by these arrangements closely matches the period over which the Company enjoys exclusive rights to operate the offshore transmission system under the Licence, and closely reflects the period over which the vast majority of cash flows from the project are expected to be generated.

As previously described (see “Regulated revenue and incentives”), under the terms of the Licence, regulatory and other contractual agreements, the Company is permitted to charge its customer, NGESO, an agreed amount for the transmission services it provides, the price of which is uplifted each year commencing 1 April by a sum equivalent to the average increase in RPI over the previous 12-month period measured from January to December. Where there is a reduction or no increase in RPI over the relevant period, then the charges remain unchanged from the previous year. These derivative arrangements (“RPI swaps”) have the effect of exchanging the vast majority of variable cash inflows derived from the Company’s transmission services (impacted by changes in actual RPI) in exchange for a known and predetermined stream of rising cash flows over the same period.

The Directors believe that the use of these RPI swaps is consistent with the Company’s risk management objective and strategy for undertaking the hedge. The majority of the Company’s cash outflows relate to borrowings that effectively carry a fixed coupon so that both the resultant principal repayments and coupon payments are predetermined. The purpose of the RPI swap arrangements is to generate highly certain cash inflows (thereby reducing uncertainty) so that the Company can meet its obligations under the terms of the Company’s borrowing arrangements and therefore reduce the risk of default. The Directors believe that RPI swaps have a highly effective hedging relationship with the forecast cash inflows that are considered to be highly probable, and as a consequence have concluded that these derivatives meets the definition of a cash flow hedge and have formally designated them as such.

The carrying value of the RPI swaps at 31 March 2025 was a liability of £15,894k (2024: £19,958k). A corresponding entry has been recorded in other comprehensive income.

#### Lending covenants and other restrictions

The Company is subject to certain covenants and conditions under lending agreements with the senior debt holders. The Company entered into the lending agreements to allow it to fund the acquisition of the Transmission owner asset. Under these lending agreements, a Security and Bond Trustee has been appointed to represent the senior debt holders and to monitor compliance by the Company with the conditions of the lending agreements it has entered into. In addition, a Technical Adviser and an Insurance Adviser have also been appointed under the terms of the lending agreements to support the Security and Bond Trustee in the discharge of their duties. The covenants and conditions of the lending agreements include (but are not limited to) the following:

- 1) The Company is required to operate on the basis of a financial plan while the lending agreements are in place (19 years) which the Security and Bond Trustee has approved and subject to certain allowances; any deviation from that plan requires the approval of the Security and Bond Trustee. The financial plan is refreshed on a six monthly basis and revised on an annual basis as required;
- 2) The Company is required to deliver financial and other information at specified intervals (typically six monthly) to the Security and Bond Trustee;



# GREATER GABBARD OFTO HOLDINGS LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### Lending covenants and other restrictions (continued)

3) The lending agreements specify the bank accounts that the Company is permitted to operate and in addition, restrict the way in which those accounts should be operated – this includes, in respect of certain accounts, requiring those accounts to be funded for specific purposes and only allowing access to those accounts for that specified purpose. With the exception of one bank account, all withdrawals from bank accounts require the consent of the Security and Bond Trustee;

4) The Company is required to maintain certain financial ratios (both historical and forward looking) in respect of debt service cover; loan life cover; and in respect of incremental investments it cannot exceed a specified gearing ratio;

5) The Company is restricted under the lending agreements as to its ability to invest its surplus funds such that it is only permitted to invest those surplus funds in investments with maturities that are allowed under the terms of those agreements. Typically this results in the Company investing in term deposits with maturities not exceeding six months;

6) The Company is required to maintain adequate insurances at all times; and

7) The Company is required to meet all the conditions contained within the lending agreements before any servicing of the subordinated debt holders can take place or any distributions can be made to shareholders.

There is a risk that if the Company materially fails to comply with the terms of the lending agreements, or has failed to apply one of the specified remedies, the Company would be in default of the lending agreements. In these circumstances the amounts due under the lending agreements are immediately due and payable or are repayable on demand. The Company monitors and has put in place controls and procedures to ensure material compliance with the terms of the lending agreement at all times.

Since entering into the lending agreements the Company has complied with all of the lending covenants and conditions and has continued to do so through to the date of this report.

#### Accounting policies

The financial statements present the results of the Company using the accounting policies outlined in the financial statements and are in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations) as adopted for use in the United Kingdom ("UK adopted IFRS") and those parts of the Companies Act 2006 relevant to companies preparing their financial statements in accordance with UK adopted IFRS. IFRS permits certain choices and the following material choices have been made as follows:

##### Presentation of financial statements

The Company uses the nature of expense method for the presentation of its Statement of Profit and Loss and presents its Statement of Financial Position showing net assets and total equity.

In the Statement of Profit and Loss the Company presents a sub-total of operating loss being the total of operating income and operating costs.

##### Financial Instruments

The Company has elected to apply hedge accounting to its stand-alone derivative financial instruments.

##### Critical accounting policies

The application of accounting principles requires the Directors of the Company to make estimates, judgements, and assumptions that are likely to affect the reported amounts of assets, liabilities, revenue, and expenses, and the disclosure of contingent assets and liabilities in the financial statements. Better information, or the impact of an actual outcome, may give rise to a change as compared with any estimates used, and consequently the actual results may differ significantly from those estimates. The impact of revised estimates, or the impact of actual outcomes, will be reflected in the period when the better information or actual outcome is known.

A discussion of critical accounting policies is contained within the accounting policies section of the financial statements together with a discussion of those policies that require particularly complex or subjective decisions or assessments. The accounting policies section of the financial statements commences on page 34.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## STRATEGIC REPORT

### *FOR THE YEAR ENDED 31 MARCH 2025*

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The directors present the strategic report for the year ended 31 March 2025. The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

#### **Fair review of the business**

The Directors have performed a full review of the Group's results for the year as part of the Operating and Financial review section on pages 1 to 14.

#### **Future developments of the business**

No change in the Group's future developments is anticipated.

#### **Material interests in shares**

Greater Gabbard OFTO Plc is a wholly-owned subsidiary undertaking of Greater Gabbard OFTO Holdings Limited.

#### **Principal risks and uncertainties**

The Group recognises that effective risk management is fundamental to achieving its business objectives in order to meet its commitments in fulfilling the contract 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.

#### **Licence obligations**

The Group has ongoing obligations and is required to make certain ongoing declarations to the Authority to ensure compliance with the terms of the certificate issued.

#### **Financial risks**

Credit and cash flow risks to the Group arise from its client, NGESO. NGESO operates a low risk monopoly business within the UK, and the regulatory regime under which they operate results in a highly predictable, and stable, revenue stream.

#### **Contractual relationships**

The Subsidiary operates within a contractual relationship with its principal customer, NGESO. A significant impairment of this relationship could have a direct and detrimental effect on the Group's results and could ultimately result in termination of the concession. To manage this risk the Group has regular meetings with NGESO.

#### **Directors' Indemnities**

The Company has granted the directors with qualifying third-party indemnity provisions within the meaning given to the term by section 234 and 235 of the Companies Act 2006. This is in respect of liabilities to which they may become liable in their capacity as director of the company. Such indemnities were in force throughout the financial year and will remain in force at the date of this report.

#### **Post balance sheet events**

There are no balance sheet events to be reported following the date of approval of financial statements.

GREATER GABBARD OFTO HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025

Key performance indicators

The Group has set specific business objectives, which are monitored using key performance indicators (“KPIs”). The relevant KPIs for this report are detailed below.

|                                 | 31 March 2025 | 31 March 2024 |
|---------------------------------|---------------|---------------|
|                                 | £'000         | £'000         |
| Profit before taxation          | 7,590         | 5,193         |
| Cash available for debt service | 20,294        | 15,469        |

Further discussion of the Group's financial and non-financial KPI's can be found on page 5.

Section 172 statement

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Group are appropriately informed by s172 factors.

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture. As part of the Board's decision-making process, the Board and its Committees consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Group's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Illustrations of how s172 factors have been applied by the Board can be found throughout the 2024/2025 annual Report and Accounts. For example;

- Information on how the Group manages its business and compliance with regulatory requirements can be found on pages 2-4;
- Details on how the Group has considered the impact of its operations on the community and environment see page 7;
- Non-Financial KPIs information on page 5;
- The Group has anti bribery and corporate criminal act policies as part of its commitment to ethical business practice to maintain high standards of business conduct; and
- Information on page 7 sets out how the Group engaged with key stakeholder groups, throughout and the effectiveness of the engagement.

On behalf of the board

DocuSigned by:  
Tarkan Pulur  
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Tarkan Pulur  
Director

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Date: .....

# GREATER GABBARD OFTO HOLDINGS LIMITED

## DIRECTORS' REPORT

### *FOR THE YEAR ENDED 31 MARCH 2025*

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The Directors present their annual report together with the audited consolidated financial statements for the year ended 31 March 2025.

The following information has been disclosed in the strategic report:

- Principal activities and business review
- Key performance indicators
- Indication of likely future developments in the business

#### **Results and dividends**

The results for the year are set out on page 27.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Jemma Sherman (Resigned 16 December 2024)

Tarkan Pular

Jonathan Ball (Appointed 16 December 2024)

No Director has any interest in the issued, called up share capital of the Company or the Company's subsidiary undertakings.

#### **Supplier payment policy**

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of and abide by the terms of the payment. Trade creditors of the Company at 31 March 2025 were equivalent to 67 (2024: 53) days of purchases, based on the average daily amount invoiced by suppliers during the year.

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

No charitable or political donations were made during the year (2024: £nil) and expenditure on research and development activities was £nil (2024: £nil).

#### **Financial instruments**

Details on the use of financial instruments are included within the Operating and Financial review on pages 1 to 14 and details of financial risk management included in note 24.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Corporate governance

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness. They recognise the importance of a robust control environment to mitigate the key risks of the Group and whilst they consider that the material risks are managed adequately, they have elected to appoint an Audit committee as part of its corporate governance. The responsibilities of the audit committee are mentioned in the Corporate Governance Statement on pages 21 to 23.

There are no significant issues for the year ended 31 March 2025 that have required the Board to deal with any related material internal control issues.

The Directors confirm that the Board has reviewed the effectiveness of the system of internal control as described during the year and confirm that the system of internal controls that are currently in place are considered sufficient that all key risks to the business are adequately managed and mitigated.

#### Going concern

Having made enquiries, the Directors consider that the Group has adequate resources to continue in business for the foreseeable future, for at least 12 months from the date of approval of these financial statements, and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements of the Group. More details of the Group's funding and liquidity position are provided in the Operating and Financial Review under the headings "Current funding structure" and "Going concern, liquidity and treasury management".

#### The Group's strategy, long term business objectives and operating model

The Group's strategy, long term business objectives and operating model are set out in the Operating and Financial Review and includes an explanation of how the Group will generate value over the longer term.

#### Employee involvement

The Group does not have any employees, and does not expect to engage any employees in the foreseeable future - see "The Subsidiary's operating model" in the Operating and Financial Review on page 4.

#### Subsidiary Information

Greater Gabbard OFTO Plc is incorporated in the United Kingdom, registered in England and Wales and domiciled in the United Kingdom.

#### Group Secretary and Registered Office

The Company Secretary is Oliver Peach. The registered address is 3rd Floor (South Building), 200 Aldersgate Street, London, England, EC1A 4HD.

#### Post Balance Sheet Events

Post balance sheet events and directors' indemnity insurance has been reported on within the strategic report.

#### Energy and carbon report

As the Group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

**GREATER GABBARD OFTO HOLDINGS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**Statement of disclosure to auditor**

Each director in office at the date of approval of this annual report confirms that:

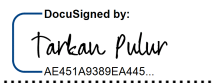
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that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

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

MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

On behalf of the board

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Tarkan Pulur  
**Director**

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Date: .....

# GREATER GABBARD OFTO HOLDINGS LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2025**

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 prepared the Company financial statements in accordance with UK adopted international accounting standards. 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 applicable UK adopted international accounting standards have been followed, 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 Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and 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 Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

DocuSigned by:  
  
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Tarkan Pulur  
**Director**

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Date: .....

# GREATER GABBARD OFTO HOLDINGS LIMITED

## CORPORATE GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2025

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The Group does not have a premium listing of equity share and is therefore not subject to the UK Corporate Governance Code but seeks to apply the principles of the Code.

Appointments to the Board of Directors of GGOHL and its subsidiary undertakings are governed by a shareholders' agreement ("the Agreement") between the shareholders of GGOHL that jointly control this Group through a common class of ordinary shares, Equitix Transmission 2 Limited and Equitix Capital Investors UK Cable Limited. The Directors receive no emoluments from the Group, consequently there is no link to the service standards of the Group. The Agreement requires that all Boards within the Group must comprise one Director appointed by each shareholder. Consequent upon these arrangements between the shareholders, no Group company has a nomination committee and the performance of the Boards is not evaluated.

The Agreement ensures that Boards are balanced, with no one shareholder having majority representation, and allows the Group to draw on the respective financial and operational expertise of each of its shareholders. Accordingly, the Directors have the relevant expertise and experience, drawn from their involvement in a wide range of infrastructure companies, to define and to develop the strategy of the Group so as to meet its objectives and to generate or preserve value over the longer term. The Directors regularly review the effectiveness of the Group's risk management and internal control framework and are satisfied that they are effective.

## GGOHL

### Meetings of the Board of GGOHL

GGOHL is governed by a Board of two executive Directors. There are no non-executive or independent Directors. The GGOHL Board does not have a separately appointed chairman. Meetings are chaired by a member of the GGOHL Board and are convened as required, but usually four times per annum. The GGOHL Board is accountable to the shareholders of GGOHL for the good conduct of the Group's affairs, including those of the Company.

### Audit committee

The Group does not have an internal audit function. The Directors have concluded that the Group is far too small to have such a function and assessment of internal controls are via an Audit Committee. This committee is comprised of the Board and meetings are held four times per annum. The purpose of the Audit Committee is to assist the Board in the effective discharge of its responsibilities for the consideration of financial and regulatory reporting and for internal control principles in order to ensure high standards of probity and transparency. The Audit Committee acts to safeguard the interests of its shareholders by:

- monitoring the integrity of financial and financial regulatory reports issued by GGOHL and its two subsidiary undertakings with the objective of ensuring that these reports present a fair, clear, and balanced assessment of the position and prospects of the Group, as the case may be;
- reviewing and challenging key accounting policies and key judgements and estimates
- reviewing the economy, efficiency and effectiveness of the Group's operations and internal controls, the reliability and integrity of information and accounting systems, and the implementation of established policies and procedures;
- reviewing and approving the internal control and risk management policies applicable to the Group;
- maintaining an appropriate relationship with the external auditors and assessing independence and effectiveness.



# GREATER GABBARD OFTO HOLDINGS LIMITED

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2025**

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### The Subsidiary

#### Board and management meetings

The Subsidiary is governed by a Board of two executive Directors, none of whom are independent. The Board does not have a separately appointed chairman. Meetings are chaired by a member of the Board and are convened as required, but usually not less than four times per annum. The Subsidiary Board is responsible for monitoring the effectiveness of the day-to-day operation and management of the Subsidiary's regulated transmission business.

The Subsidiary's operating model is to outsource all O&M activities and asset management capability. EMS provides certain financial and management services to the Subsidiary through a PSA. Additional technical, accounting and administration support is provided to the Subsidiary by EMS through the PSA.

#### Directors and their attendance at Group Board meetings

The Directors of the Company are as shown below. Board meetings were held on four occasions during the year under review. Attendance by the Directors at Board meetings, expressed as a number of meetings attended out of a number eligible to attend is shown below:

Tarkan Pulur (4 of 4)

Jonathan Ball - appointed 16 December 2024 (1 of 4)

Jemma Sherman - resigned 16 December 2024 (3 of 4)

#### Compliance committee

The principal role of the Compliance Officer is to provide relevant advice and information to Directors of the Subsidiary, the Compliance Committee and consultants and other third parties providing services to the Subsidiary. The Compliance Officer is required to facilitate compliance with the Licence as regards: the prohibition of cross subsidies; restriction of activities and financial ring fencing; the conduct of the transmission business and restriction on the use of certain information. In addition, the Compliance Officer is required to monitor the effectiveness of the practices, procedures and systems adopted by the Subsidiary in accordance with the compliance statement required by amended standard condition E12 - C2 of the Licence (Separation and Independence of the Transmission Business).

Members of the Compliance Committee and their attendance, expressed as a number of meetings attended out of a number eligible to attend during the year under review was as follows:

Tarkan Pulur (1 of 1)

Jemma Sherman (1 of 1)

Jonathan Ball (0 of 1)

The Compliance Committee met in June 2025 to receive the compliance report for the year ended 31 March 2025 from the Compliance Officer and in turn produced a report approved by the Board.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2025**

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### **Compliance statement**

The Subsidiary has published a compliance statement and code of conduct “Separation and Independence of the Transmission Business Compliance Statement” (copy available from [www.ggofto.co.uk](http://www.ggofto.co.uk)) that addresses how the Subsidiary has addressed its Licence obligations.

### **Health, Safety and Environment**

The Board recognises that the nature of the Group’s business requires an exceptional focus on health, safety and the environment (HSE). The OFTO General Manager provides the Board with a monthly report that shows HSE performance through the month and year to date.

The OFTO Board has a Health and Safety Committee that meets at least bi-annually and comprises the Director Responsible for Health and Safety, the “OFTO Representative”, OFTO General Manager and co-opted members as appropriate, with the following objectives:

- Ensure the OFTO achieves the highest possible levels of HSE performance through the use of leading and lagging indicators
- Ensure that the OFTO incorporates best practice
- Create a culture of innovation to promote and develop new ways of working that will transform operational practice in the pursuit of excellence in HSE
- Oversee HSE management to ensure that:
  - Appropriate levels of Assurance and reporting are provided by the various parties with accountability in the area of HSE
  - All Accidents, HSE Incidents and Near Misses are reviewed and actions implemented

There have been no RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) reportable incidents or accidents to date.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GREATER GABBARD OFTO HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Greater Gabbard OFTO Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise Group income statement, Group statement of comprehensive income, Group statement of financial position, Group Statement of changes in equity Group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2025 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going basis of accounting in the preparation of the financial statements is appropriate.

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF GREATER GABBARD OFTO HOLDINGS LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

#### **Matters on which we are required to report by exception**

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

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

#### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the group and parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF GREATER GABBARD OFTO HOLDINGS LIMITED

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

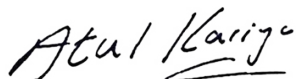
- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; ;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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



**Atul Kariya FCCA**

(Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor

London, United Kingdom

Date: ...31/07/2025...

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

# GREATER GABBARD OFTO HOLDINGS LIMITED

## GROUP INCOME STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2025**

|                                    | Notes     | 2025<br>£'000 | 2024<br>£'000 |
|------------------------------------|-----------|---------------|---------------|
| Operating income                   |           | 6,365         | 5,274         |
| <b>Gross profit</b>                |           | 6,365         | 5,274         |
| Operating costs                    |           | (5,276)       | (4,214)       |
| <b>Operating profit</b>            | <b>7</b>  | 1,089         | 1,060         |
| Investment revenues                | <b>8</b>  | 17,050        | 16,567        |
| Finance costs                      | <b>9</b>  | (10,550)      | (13,988)      |
| <b>Profit before taxation</b>      |           | 7,590         | 5,193         |
| <b>Income tax income/(expense)</b> | <b>10</b> | (3,258)       | (4,353)       |
| <b>Profit for the year</b>         |           | 4,332         | 840           |

Profit for the financial year is all attributable to the owners of the parent company.

**GREATER GABBARD OFTO HOLDINGS LIMITED****GROUP STATEMENT OF COMPREHENSIVE INCOME*****FOR THE YEAR ENDED 31 MARCH 2025***

|                                                               | <b>2025</b>       | <b>2024</b>       |
|---------------------------------------------------------------|-------------------|-------------------|
|                                                               | <b>£'000</b>      | <b>£'000</b>      |
| <b>Profit for the year</b>                                    | 4,332             | 840               |
|                                                               | <u>          </u> | <u>          </u> |
| <b>Other comprehensive income:</b>                            |                   |                   |
| <b>Items that may be reclassified to profit or loss</b>       |                   |                   |
| Cash flow hedges:                                             |                   |                   |
| Hedging gain arising in the year                              | 4,064             | 1,165             |
| Deferred taxation on cash flow hedges                         | (1,016)           | (291)             |
|                                                               | <u>          </u> | <u>          </u> |
| <b>Total items that may be reclassified to profit or loss</b> | 4,064             | 1,165             |
|                                                               | <u>          </u> | <u>          </u> |
| <b>Total other comprehensive income for the year</b>          | 3,048             | 874               |
|                                                               | <u>          </u> | <u>          </u> |
| <b>Total comprehensive income for the year</b>                | 7,380             | 1,714             |
|                                                               | <u>          </u> | <u>          </u> |

Total comprehensive income for the year is all attributable to the owners of the parent company.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

|                                  | Notes | 2025<br>£'000 | 2024<br>£'000 |
|----------------------------------|-------|---------------|---------------|
| <b>Non-current assets</b>        |       |               |               |
| Investments                      | 12    | 217,013       | 237,851       |
| <b>Current assets</b>            |       |               |               |
| Inventories                      |       | 635           | 635           |
| Investments                      | 12    | 17,153        | 16,080        |
| Trade and other receivables      | 14    | 13,008        | 6,755         |
| Cash and cash equivalents        |       | 29,082        | 24,529        |
|                                  |       | 59,878        | 47,999        |
| <b>Current liabilities</b>       |       |               |               |
| Trade and other payables         | 17    | 2,207         | 1,470         |
| Borrowings                       | 16    | 23,067        | 24,021        |
|                                  |       | 25,274        | 25,491        |
| <b>Net current assets</b>        |       | 34,604        | 22,508        |
| <b>Non-current liabilities</b>   |       |               |               |
| Borrowings                       | 16    | 202,840       | 219,605       |
| Deferred tax liabilities         | 13    | 10,330        | 6,057         |
| Long term provisions             | 19    | 10,997        | 10,563        |
| Derivative financial instruments |       | 15,894        | 19,958        |
|                                  |       | 240,061       | 256,183       |
| <b>Net assets</b>                |       | 11,556        | 4,176         |
| <b>Equity</b>                    |       |               |               |
| Called up share capital          | 20    | 51            | 51            |
| Hedging reserve                  | 21    | (11,920)      | (14,968)      |
| Retained earnings                |       | 23,425        | 19,093        |
| <b>Total equity</b>              |       | 11,556        | 4,176         |

The financial statements were approved by the board of directors and authorised for issue on 31 July 2025 and are signed on its behalf by:

DocuSigned by:  
  
 AE451A9389EA445...

Tarkan Pulur  
**Director**

Company registration number 08180541 (England and Wales)



GREATER GABBARD OFTO PLC

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

|                         | Notes | 2025<br>£'000 | 2024<br>£'000 |
|-------------------------|-------|---------------|---------------|
| Non-current assets      |       |               |               |
| Investments             | 11    | 51            | 51            |
| Current liabilities     |       |               |               |
| Net current assets      |       | -             | -             |
| Non-current liabilities |       |               |               |
| Net assets              |       | 51            | 51            |
| Equity                  |       |               |               |
| Called up share capital |       | 51            | 51            |

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £nil (2024: £nil).

The financial statements were approved by the board of directors and authorised for issue on 31 July 2025 and are signed on its behalf by:

DocuSigned by:  
Tarkan Pulur  
.....AF451A9389EA445.....  
Tarkan Pulur  
Director

Company registration number 08180541 (England and Wales)

# GREATER GABBARD OFTO HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 MARCH 2025**

|                                            | Share<br>capital<br>£'000 | Hedging<br>reserve<br>£'000 | Retained<br>earnings<br>£'000 | Total<br>£'000 |
|--------------------------------------------|---------------------------|-----------------------------|-------------------------------|----------------|
| <b>Balance at 1 April 2023</b>             | 51                        | (15,842)                    | 18,253                        | 2,462          |
| <b>Year ended 31 March 2024:</b>           |                           |                             |                               |                |
| Profit for the year                        | -                         | -                           | 840                           | 840            |
| Other comprehensive income:                |                           |                             |                               |                |
| Cash flow hedges gains                     | -                         | 1,165                       | -                             | 1,165          |
| Tax relating to other comprehensive income | -                         | (291)                       | -                             | (291)          |
| Total comprehensive income for the year    | -                         | 874                         | 840                           | 1,714          |
| <b>Balance at 31 March 2024</b>            | 51                        | (14,968)                    | 19,093                        | 4,176          |
| <b>Year ended 31 March 2025:</b>           |                           |                             |                               |                |
| Profit for the year                        | -                         | -                           | 4,332                         | 4,332          |
| Other comprehensive income:                |                           |                             |                               |                |
| Cash flow hedges gains                     | -                         | 4,064                       | -                             | 4,064          |
| Tax relating to other comprehensive income | -                         | (1,016)                     | -                             | (1,016)        |
| Total comprehensive income for the year    | -                         | 3,048                       | 4,332                         | 7,380          |
| <b>Balance at 31 March 2025</b>            | 51                        | (11,920)                    | 23,425                        | 11,556         |

**GREATER GABBARD OFTO PLC**

**COMPANY STATEMENT OF CHANGES IN EQUITY**

***FOR THE YEAR ENDED 31 MARCH 2025***

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|                                  | <b>Share<br/>capital<br/>£'000</b> | <b>Total<br/>£'000</b> |
|----------------------------------|------------------------------------|------------------------|
| <b>Balance at 1 April 2023</b>   | 51                                 | 51                     |
| <b>Year ended 31 March 2024:</b> |                                    |                        |
| <b>Balance at 31 March 2024</b>  | <hr/> 51                           | <hr/> 51               |
| <b>Year ended 31 March 2025:</b> |                                    |                        |
| <b>Balance at 31 March 2025</b>  | <hr/> 51                           | <hr/> 51               |

# GREATER GABBARD OFTO HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2025**

|                                                     | Notes | 2025<br>£'000 | £'000    | 2024<br>£'000 | £'000    |
|-----------------------------------------------------|-------|---------------|----------|---------------|----------|
| <b>Cash flows from operating activities</b>         |       |               |          |               |          |
| Cash generated from operations                      | 27    |               | 18,577   |               | 13,915   |
| <b>Net cash inflow from operating activities</b>    |       |               | 18,577   |               | 13,915   |
| <b>Investing activities</b>                         |       |               |          |               |          |
| Interest received                                   |       | 1,717         |          | 1,554         |          |
| <b>Net cash generated from investing activities</b> |       |               | 1,717    |               | 1,554    |
| <b>Financing activities</b>                         |       |               |          |               |          |
| Repayment of senior debt                            |       | (15,741)      |          | (15,242)      |          |
| <b>Net cash used in financing activities</b>        |       |               | (15,741) |               | (15,242) |
| <b>Net increase in cash and cash equivalents</b>    |       |               | 4,553    |               | 227      |
| Cash and cash equivalents at beginning of year      |       |               | 24,529   |               | 24,302   |
| Cash and cash equivalents at end of year            |       |               | 29,082   |               | 24,529   |

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2025

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#### 1 Material accounting policies

##### Company information

Greater Gabbard OFTO Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD. The Company is the parent entity to its subsidiaries, Greater Gabbard OFTO Plc and Greater Gabbard OFTO Intermediate Limited. The group's principal activities and nature of its operations are disclosed in the directors' report.

#### 1.1 Basis of preparation and consolidation of financial statements under IFRS

These financial statements have been prepared on a going concern basis. They are prepared in accordance with UK adopted international accounting standards and those parts of the Companies Act 2006 relevant to companies preparing their financial statements in accordance with UK adopted International Accounting Standards. The financial statements have been prepared on an historical cost basis except for the revaluation of derivative financial instruments. The accounting policies have been applied consistently, other than where new policies have been adopted. The financial statements are presented in "GBP", which is the functional currency of the Group 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 as referred in section 'Critical judgements' on page 39.

The consolidated financial statements present the results of the Company and its own subsidiaries ('the Group') as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £nil (2024 : £nil).

#### 1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors consider that the Group has adequate resources to continue in business for the foreseeable future, for at least 12 months from the approval date of these financial statements, and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements of the Group. More details of the Group's funding and liquidity position are provided in the Operating and Financial Review under the headings "Current funding structure" and "Going concern, liquidity and treasury management".

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 1 Material accounting policies

(Continued)

#### 1.3 Revenue

##### **Transmission availability arrangements - income and related recognition**

The Subsidiary owns and operates an electricity transmission network that is principally offshore based. This network electrically connects a wind farm generator to the onshore electricity transmission operator (NGESO). The ownership of this transmission network is subject to regulatory and contractual arrangements that permit it to charge for making its transmission network available ("transmission availability charges") to the wind farm generator thereby allowing the wind farm generator to transmit its electricity.

The characteristics of the regulatory, legal and contractual arrangements that give rise to the transmission availability charges referred to above are consistent with the principles contained within IFRIC 12, an interpretation issued by the IFRS Interpretations Committee. Consequently, the accounting for charges made by the Subsidiary for transmission network availability is consistent with that interpretation.

The major characteristics that result in the application of IFRIC 12 include the following:

- the regulatory arrangements determine the price charged by the Subsidiary for its transmission availability services; and
- the regulator has granted a licence to operate the transmission system for an exclusive period of around 20 years and retains the rights to grant a transmission licence to a future operator.

A Transmission owner asset has been recognised at cost in accordance with the principles of IFRIC 12. The Transmission owner asset includes: the cost of acquiring the Transmission network asset from the constructor of the network; and those costs incurred that are directly attributable to the acquisition of the transmission network. The Transmission Owner asset has been classified as a financial asset and is accounted for as described below.

In accordance with IFRIC 12 and IFRS 15, transmission availability charges are recognised in the financial statements in three ways:

- as an adjustment to the carrying value of the Transmission owner asset, see "Financial Instruments" below;
- as finance income - "Operating and finance income" below;
- as operating income - "Operating and finance income" below.

Transmission availability payments are recognised at the time the transmission service is provided.

The value of amounts invoiced for transmission availability services in any one year is determined by a regulatory agreement that allows the transmission system operator to invoice an amount primarily relating to the expected availability of the transmission system during that year, together with the recovery of certain costs. Where the level of availability of the transmission system or the costs that are permitted to be recovered is different to that expected this might result in an adjustment to charges in a subsequent accounting period. Such potential adjustments to future charges are not recognised in the financial statements as assets or liabilities, until as such time as prices are changed to reflect these adjustments and, consequently, there is no impact on the Income Statement until such time as prices are changed.

#### **Operating and finance income**

##### **General**

As indicated above, see "Transmission availability arrangements", amounts invoiced in respect of transmission availability charges, net of Value Added Tax, are attributed to operating income, finance income or as an adjustment to the carrying value of the Transmission owner asset in the manner described below. Finance and operating income reflect the principal revenue generating activity of the Subsidiary, that being revenue associated with the provision of transmission availability services and consequently, are presented as separate line items within the Statement of Profit or Loss before other costs and net interest costs.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 1 Material accounting policies

(Continued)

#### **Operating income**

Operating income represents the income derived from the provision of operating services. Such services include those activities that result in the efficient and safe operation of the Subsidiary's transmission assets, and are reflective of the costs incurred in providing those services, including the cost of operations and maintenance and insuring the transmission assets on behalf of a stand-alone transmission owner. An estimate has been made as to the appropriate revenue that should be attributable to a stand-alone operator with responsibility for operations, maintenance and insurance.

#### **Finance income**

Finance income arising from the provision of transmission availability services represents the return that an efficient stand-alone "transmission owner" would expect to generate from the holding of the Transmission owner asset and an estimate has been made as to the appropriate return that such an owner would generate having regard to the risks associated with those arrangements. The return that is generated on this asset is allocated to each period using the effective interest rate method.

### 1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### 1.5 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. Expected credit losses are considered at each reporting date. 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.

The Transmission owner asset is classified as a contract asset under IFRIC 12 and is carried at amortised cost using the effective interest rate method reflecting adjustments to its carrying value as referenced above – see "Transmission availability arrangements". The annual revenue is agreed upfront with the client including the RPI uplift per the licence. The maximum credits available are 5% and penalties available are 10% of base revenue for that year which is shared. Due to the nature of the contractual arrangements the projected cash flows can be estimated with a high degree of certainty. Finance income relating to the Transmission owner asset is recognised in the Income Statement as a separate line item – "Finance income",

Borrowings, which include fixed interest-bearing debt, are initially recorded at fair value under IFRS 9.

Subsequently all borrowings are stated at amortised cost, using the effective interest rate method.

Derivative financial instruments are recorded at fair value, and where the fair value of a derivative is positive, it is carried as a derivative asset and, where negative, as a derivative liability. Gains and losses arising from the changes in fair value are included in other comprehensive income in the period they arise.

There are no embedded derivatives in host contracts that are not considered to be closely related; consequently, no embedded derivatives are separately accounted for as derivative financial instruments.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 1 Material accounting policies

(Continued)

#### 1.6 Derivatives

The Group continues to apply under IFRS 9 those cash flow hedging arrangements that were originated when the subsidiary previously applied IAS 39.

The Group has entered into an arrangement with third parties that is designed to hedge future cash receipts arising from its activities as a provider of transmission availability services (RPI swaps). The Group has designated that this arrangement is a hedge of another (non-derivative) financial instrument, to mitigate the impact of potential volatility on the Group's net cash flows.

To qualify for hedge accounting, documentation is prepared specifying the hedging strategy, the component transactions and methodology used for effectiveness measurement.

Changes in the carrying value of financial instruments that are designated and effective as hedges of future cash flows ("cash flow hedges") are recognised Other Comprehensive Income and any ineffective portion is recognised immediately in the Income Statement. Amounts taken to equity via other comprehensive income in respect of cash flow hedges are subsequently recognised in the Income Statement in the same period in which the hedged item affects net profit or loss.

#### 1.7 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.

##### **Current tax**

Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

##### **Deferred tax**

Deferred taxation is provided using the Statement of Financial Position liability method, and is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit.

Deferred taxation liabilities are generally recognised on all taxable temporary differences, and deferred taxation assets are recognised to the extent that is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred taxation is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the Statement of Financial Position date.

Unrecognised deferred taxation assets are reassessed at each Statement of Financial Position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred taxation asset to be recovered.

Corporation tax is recognised in the profit and loss account. Deferred tax on cash flow hedges is recognised in other comprehensive income.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 1 Material accounting policies

(Continued)

#### 1.8 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event and it is probable that the group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### 1.9 Decommissioning costs

Provision is made for costs expected to be incurred at the end of the useful life of the offshore transmission network associated with the safe decommissioning of that network. Provision for these costs is based on future estimated expenditures. Changes in the provision arising from revised estimates or changes in the expected timing of expenditures, are recognised in the statement of profit or loss. Changes in estimates arising from revised cost assessments are included within operating costs.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 2 Critical accounting estimates and judgements

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 ongoing basis and any revisions to them are recognised in the period the revision occurs. The following is a summary of the critical accounting policies adopted by the Group together with information about the key judgements, estimations and assumptions that have been applied.

#### Critical judgements

##### i) Transmission availability arrangements - income and related recognition

The Directors after due enquiry have identified that the characteristics of the regulatory, legal and contractual arrangements that give rise to transmission availability charges are consistent with the principles contained within IFRIC 12 and IFRS 15. Consequently, the accounting for charges made by the Group for transmission network availability is consistent with that interpretation.

As a consequence of this decision, the following outcomes follow:

a. A Transmission owner asset has been recognised at cost in accordance with the principles of IFRIC 12 and IFRS 15; and

b. In accordance with IFRIC 12 and IFRS 15, transmission availability charges are recognised in the financial statements in three ways: as finance income, as operating income and as an adjustment to the carrying value of the Transmission owner asset.

An alternative accounting analysis could result in a significantly different accounting outcome which would affect the amounts and classification of asset and liabilities in the Consolidated Statement of Financial Position and alter the income recognition and presentation of amounts included within the Consolidated Income Statement.

The Group has determined that the Transmission owner asset will be recovered over a period of 20 years from the date of Licence grant (29 November 2013) – being the principal period over which the Group is permitted to levy charges for transmission availability. This assumption has the effect of determining the amount of finance income and carrying value of the Transmission owner asset that is recognised in any one year over the life of the project.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 2 Critical accounting estimates and judgements

(Continued)

#### ii) Operating and finance income

##### Operating income

Operating income represents the income derived from the provision of operating services to our principal customer, NGESO. Such services include those activities that result in the efficient and safe operation of those assets and are reflective of the costs incurred in providing those services, including the cost of insuring those assets on behalf of a stand-alone transmission owner. Upon commencement of the contract, estimates and judgements were made by management to estimate the appropriate amount of revenue that would be attributable to this income classification, as if this service were provided by an independent stand-alone operator with responsibility for operations, maintenance and insurance. To the extent that an alternative judgement or estimate was made as to the reasonable level of revenue attributable to such an operator, then in the case of the Group, the level of income attributed to finance income (see below) would be amended.

##### Finance income

Finance income arising from the provision of transmission availability services represents an estimate of the return that an efficient stand-alone and independent "transmission owner" would expect to generate from the holding of the Transmission owner asset. Estimates and judgements have been exercised by management to determine an appropriate return to the owner of such an asset having regard to the risks associated with those arrangements. To the extent that an alternative judgement or estimate was made as to the reasonable level of return attributable to such a transmission asset owner, then in the case of the Group, the level of income attributed to operating income (see above) would be amended.

#### iii) Hedge accounting and consideration of the fair value of derivative financial instruments

The Group uses derivative financial instruments to hedge certain economic exposures in relation to movements in RPI as compared with the position that was expected at the date the underlying transaction being hedged was entered into. The Group fair values its derivative financial instruments and records the fair value of those instruments on its Consolidated Statement of Financial Position. Estimates and judgements have been exercised by management to determine an appropriate profile on inflation and interest rates. This has been done by benchmarking the fair value of the derivative financial instruments against a third party external valuation performed by experts.

Movements in the fair values of the Group's derivative financial instruments may be accounted for using hedge accounting where the requirements of hedge accounting are met under IFRS including the creation of compliant documentation and meeting the effectiveness testing requirements. If a hedge does not meet the criteria for hedge accounting, or where there is some degree of ineffectiveness, then the change in fair value in relation to these items will be recorded in the Income Statement. Otherwise, in respect of the Group's derivative financial instruments, these changes in fair value are recognised in other comprehensive income.

The Group's derivative financial instruments currently meet the stringent hedge accounting criteria under IFRS and all movements in fair value of these instruments have been recognised in other comprehensive income. If these hedging criteria had not have been met these movements would have been recognised in the Consolidated Income Statement.

As referred to above, the Group carries its derivative financial instruments in its Consolidated Statement of Financial Position at fair value. No market prices are available for these instruments and consequently the fair values are derived using financial models developed by a third party that is independent of the Group, but use observable market data in respect of RPI and interest rates as an input to valuing those derivative financial instruments. Where observable market data is not available, as in the case of valuing the Transmission owner asset, unobservable market data is used which requires the exercise of management judgement.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 2 Critical accounting estimates and judgements

(Continued)

#### iv) Income taxation

##### Current taxation

The taxation charge or credit arising on profit before taxation and in respect of gains or losses recognised through other comprehensive income reflect the tax rates in effect or substantially enacted at the Statement of Financial Position date as appropriate. The determination of appropriate provisions for taxation requires the Directors to take into account anticipated decisions of HM Revenue and Customs which inevitably requires the Directors to use judgements as to the appropriate estimate of taxation provisions.

##### Deferred taxation

Deferred taxation is provided using the Statement of Financial Position liability method and is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding taxation bases used in the computation of taxable profit.

Judgements are required to be made as to the calculation and identification of temporary differences and in the case of the recognition of deferred taxation assets, the Directors have to form an opinion as to whether it is probable that the deferred taxation asset recognised is recoverable against future taxable profits arising. This exercise of judgement requires the Directors to consider forecast information over a long time horizon having regard to the risks that the forecasts may not be achieved and then form a reasonable opinion as to the recoverability of the deferred taxation asset.

#### v) Decommissioning Provision

Provisions are made for certain liabilities where the timing and amount of the liability is uncertain. The Group's only provision relates to the estimated costs of decommissioning the Subsidiary's offshore transmission system at the end of its expected economic life - being 20 years. These estimated costs have then been discounted at an appropriate rate (6.41%) and the resultant liability reflected in the balance sheet. This rate has been provided by an independent third party with relevant and professional expertise and therefore no range/sensitivity has been included. The plan for decommissioning these assets is being reviewed compared to the plans submitted at financial close. The revised plan is due to be submitted to the Secretary of State for Department for Energy Security and Net Zero in the upcoming year.

The estimates and judgements used in determining the carrying value of this provision include, but are not limited to, the following:

- the estimated economic useful life of the transmission system is assumed to be 20 years being the period the Subsidiary has exclusive rights to operate under the Licence and collect revenue which is expected to generate the vast majority of cash flows relating to the ownership of the system.
- estimates of costs relating to the appropriate and safe removal, disposal, recycle and making safe of the transmission system having regards to market prices and access to the appropriate level of technology; and
- discount rate appropriate to the 20 year life of the assets being decommissioned. The Subsidiary has adopted the practice (absent a significant unforeseen event taking place) of considering the appropriate discount rate to apply to be the finance interest rate applicable to the project life, reflective of the long term nature of this liability, rather than re-evaluating the discount rate over a shorter time period.

The estimates are based on management estimates with the use of technical consultants and are subject to an annual review. The initial estimated discounted cost of decommissioning the offshore transmission system is included within the carrying value of the Transmission owner asset. All subsequent changes to estimates in relation to estimated gross cost of decommissioning or the appropriate discount rate are reflected in the Consolidated Income Statement via changes in the service margin applied to calculate the operating income.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 3 Adoption of new and revised standards and changes in accounting policies

The group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 April 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1
- Lease Liability in Sale and Leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The following are new standards and interpretations not yet adopted:

- Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)
- FRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).

### 4 Operating segment

The Board of Directors is the Group's chief operating decision-making body. The Board of Directors has determined that there is only one operating segment – electricity transmission. The Board of Directors evaluates the performance of this segment on the basis of profit before and after taxation, and cash available for debt service (net cash inflows from operating activities less net cash flow used in investing activities). The Group and segmental results, Statement of Financial Position and relevant cash flows can be seen in the Consolidated Income Statement, the Consolidated Statement of Financial Position and cash flow statements on page 27, 29 and 33 respectively. Additional notes relating to the Company and segment are shown in the notes to the financial statements on pages 34 to 62.

The electricity transmission operation of the Subsidiary comprises the transmission of electricity from a wind farm located approximately 26km off the coast of Suffolk within the Thames Estuary, and then connecting directly into the national grid at an electricity substation near Sizewell.

All of the Group's sales and operations take place in the UK.

All of the assets and liabilities of the Group arise from the activities of the segment.

### 5 Operating income

Operating income of £6,365k (2024: £5,274k) relates primarily to the Group's activity as a provider of electricity transmission services to the Group's principal customer – NGESO. All of the Group's income is derived from NGESO.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 6 Operating costs

Operating costs are analysed below:

|                                                     | 2025         | 2024         |
|-----------------------------------------------------|--------------|--------------|
|                                                     | £'000        | £'000        |
| Operations and maintenance                          | 3,253        | 1,898        |
| Insurance costs                                     | 1,158        | 1,276        |
| Non-domestic rates                                  | 677          | 635          |
| Professional services fees                          | 22           | 323          |
| Auditor's remuneration                              | 84           | 46           |
| Other professional services                         | 82           | 36           |
| Directors' remuneration(1)                          | -            | -            |
| <b>Total</b>                                        | <b>5,276</b> | <b>4,214</b> |
| <br>Auditor's remuneration (1)                      | <br>76       | <br>38       |
| Other services supplied pursuant to legislation (1) | 8            | 8            |
| <b>Total</b>                                        | <b>84</b>    | <b>46</b>    |

(1) These represent fees payable for services in relation to engagements which are required to be carried out by the independent auditor. In particular this includes fees for audit reports on statutory and regulatory returns.

The Directors received no salary, fees or other benefits in the performance of their duties during the current or preceding year. There were no Directors' fees paid by the Group. The Group had no employees in the current or preceding year other than directors. All salary, fees or other benefits of the Directors and other staff are borne by the shareholders who second their employees to the Group.

### 7 Operating profit

|                                                                                           | 2025   | 2024   |
|-------------------------------------------------------------------------------------------|--------|--------|
|                                                                                           | £'000  | £'000  |
| Operating profit for the year is stated after charging/(crediting):                       |        |        |
| <br>Fees payable to the Group's auditor for the audit of the Group's financial statements | <br>84 | <br>46 |

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 8 Investment income

|                                                   | 2025<br>£'000 | 2024<br>£'000 |
|---------------------------------------------------|---------------|---------------|
| <b>Interest income</b>                            |               |               |
| Financial instruments measured at amortised cost: |               |               |
| Bank deposits                                     | 1,718         | 1,554         |
| Other interest income on financial assets         | 15,332        | 16,567        |
|                                                   | <u>17,050</u> | <u>18,121</u> |
| Total interest income                             | <u>17,050</u> | <u>18,121</u> |

### 9 Finance costs

|                               | 2025<br>£'000 | 2024<br>£'000 |
|-------------------------------|---------------|---------------|
| Interest on senior debt       | 7,698         | 8,328         |
| Interest on subordinated debt | 2,694         | 5,324         |
| Other financial costs         | 157           | 336           |
|                               | <u>10,550</u> | <u>13,988</u> |
| Total interest expense        | <u>10,550</u> | <u>13,988</u> |

### 10 Income tax expense

|                                                | 2025<br>£'000 | 2024<br>£'000 |
|------------------------------------------------|---------------|---------------|
| <b>Deferred tax</b>                            |               |               |
| Origination and reversal of timing differences | 3,258         | 4,353         |
|                                                | <u>3,258</u>  | <u>4,353</u>  |

The (credit)/charge for the year can be reconciled to the loss per the income statement as follows:

|                                                                              | 2025<br>£'000 | 2024<br>£'000 |
|------------------------------------------------------------------------------|---------------|---------------|
| Profit before taxation                                                       | <u>7,590</u>  | <u>5,193</u>  |
| Expected tax charge based on a corporation tax rate of 25.00% (2024: 25.00%) | 1,898         | 1,298         |
| Adjustment in respect of prior years                                         | <u>1,358</u>  | <u>3,055</u>  |
| <b>Taxation charge for the year</b>                                          | <u>3,256</u>  | <u>4,353</u>  |

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

|                                                                  | 2025<br>£'000 | 2024<br>£'000 |
|------------------------------------------------------------------|---------------|---------------|
| Deferred tax arising on:                                         |               |               |
| Revaluation of financial instruments treated as cash flow hedges | <u>1,016</u>  | <u>291</u>    |

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 11 Investment (Company)

|                                    | 2025<br>£'000 | 2024<br>£'000 |
|------------------------------------|---------------|---------------|
| Investments held at amortised cost | 51            | 51            |

GGOHL has 100% investments in Greater Gabbard OFTO Plc and Greater Gabbard Intermediate Limited. Both Greater Gabbard OFTO Plc and Greater Gabbard OFTO Intermediate Limited were incorporated in the United Kingdom.

Their registered office is 3rd Floor (South Building), 200 Aldersgate Street, London, EC1A 4HD, England and Wales.

The called-up share capital consists of 51,000 ordinary shares of £1.00 each.

As subsidiaries of this same group, the principal activities of the subsidiaries are covered in the operating and financial review

### 12 Transmission owner asset

|                                    | Current       |               | Non-current   |               |
|------------------------------------|---------------|---------------|---------------|---------------|
|                                    | 2025<br>£'000 | 2024<br>£'000 | 2025<br>£'000 | 2024<br>£'000 |
| Investments held at amortised cost | 17,153        | 16,080        | 217,013       | 237,851       |

The movement in the carrying value of the transmission owner asset is shown in the table below:

|                                              | 2025<br>£'000  | 2024<br>£'000  |
|----------------------------------------------|----------------|----------------|
| At 1 April                                   | 253,931        | 259,376        |
| Adjustment to the carrying value (1)         | (19,765)       | (5,445)        |
| At 31 March                                  | <b>234,166</b> | <b>253,931</b> |
| Comprising:                                  |                |                |
| Amounts falling due within one year          | 17,153         | 16,080         |
| Amounts falling due after more than one year | 217,013        | 237,851        |
|                                              | <b>234,166</b> | <b>253,931</b> |

(1) Arising from the application of the effective interest rate method and reflected through finance income in the Statement of Profit & Loss.

The Transmission owner asset is carried at amortised cost. The estimated fair value of the Transmission owner asset at 31 March 2025 was £246,763k (2024: £294,634k). The basis for estimating the fair value of the Transmission owner asset was to estimate the net cash flows arising over the estimated economic life of the project, and to discount those expected net cash flows at a discount rate, representing an equivalent gilt rate plus a risk premium as estimated by the Board to apply to the asset of 6.60% (2024: 6.26%) per half year.



# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 13 Deferred taxation

The net deferred taxation liability recognised in the Consolidated Statement of Financial Position arises as follows:

|                                               | Fair value<br>gains on<br>derivatives<br>£'000 | Accelerated<br>capital<br>allowances<br>£'000 | Tax losses<br>£'000 | Total<br>£'000 |
|-----------------------------------------------|------------------------------------------------|-----------------------------------------------|---------------------|----------------|
| (Liability)/asset at 1 April 2023             | 5,280                                          | (8,015)                                       | 1,322               | (1,413)        |
| <b>Deferred tax movements in prior year</b>   |                                                |                                               |                     |                |
| (Charge)/credit to profit or loss             | -                                              | (15,887)                                      | 11,534              | (4,353)        |
| (Charge)/credit to other comprehensive income | (291)                                          | -                                             | -                   | (291)          |
| (Liability)/asset at 1 April 2024             | 4,989                                          | (23,902)                                      | 12,856              | (6,057)        |
| <b>Deferred tax movements in current year</b> |                                                |                                               |                     |                |
| (Charge)/credit to profit or loss             | -                                              | (3,258)                                       | -                   | (3,258)        |
| (Charge)/credit to other comprehensive income | (1,016)                                        | -                                             | -                   | (1,016)        |
| (Liability)/asset at 31 March 2025            | 3,973                                          | (27,158)                                      | 12,856              | (10,330)       |

### 14 Trade and other receivables

|                                | 2025<br>£'000 | 2024<br>£'000 |
|--------------------------------|---------------|---------------|
| Prepayments and accrued income | 13,008        | 6,755         |

The accrued income reflects the availability incentive of the transmission owner asset payable over a number of years, in line with the licencing agreement with the Authority. As at 31 March 2025, the value of the availability incentive was £11,583k (2024: £5,270k).

### 15 Cash and cash equivalents

Cash and cash equivalents include restricted amounts of £26,769k (2024: 22,160k) that the Group can only use for specific purposes and with the consent of the Group's lenders. Of the remaining cash and cash equivalents £2,313k (2024: £2,369k) require the consent of the Group's lenders prior to use, but are held for general corporate purposes.

The estimated fair value of cash and cash equivalents approximates to its carrying value.

### 16 Loans and borrowings

|                                           | Current<br>2025<br>£'000 | 2024<br>£'000 | Non-current<br>2025<br>£'000 | 2024<br>£'000 |
|-------------------------------------------|--------------------------|---------------|------------------------------|---------------|
| <b>Borrowings held at amortised cost:</b> |                          |               |                              |               |
| Bank loans                                | 23,067                   | 24,021        | 202,840                      | 219,605       |

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 16 Loans and borrowings

(Continued)

|                                           | 2025<br>£'000  | 2024<br>£'000  |
|-------------------------------------------|----------------|----------------|
| <b>Secured borrowings included above:</b> |                |                |
| Bank loans                                | 174,325        | 190,063        |
| Arrangement fees                          | (678)          | (885)          |
| Debentures                                | 52,261         | 54,447         |
|                                           | <u>225,908</u> | <u>243,625</u> |

Total borrowings are repayable as follows:

|                                                        | 2025<br>£'000  | 2024<br>£'000  |
|--------------------------------------------------------|----------------|----------------|
| In one year or less                                    | 23,224         | 24,198         |
| In more than one year, but not more than two years     | 20,100         | 16,952         |
| In more than two years, but not more than three years  | 22,880         | 20,100         |
| In more than three years, but not more than four years | 23,885         | 22,880         |
| In more than four years, but not more than five years  | 25,843         | 23,885         |
| In more than five years other than by instalments      | 110,654        | 136,496        |
| Less arrangement fees                                  | (678)          | (885)          |
|                                                        | <b>225,908</b> | <b>243,626</b> |

£305,140,000 4.137 per cent Secured Indexed Bonds due November 2032 were issued on 29 November 2013 and listed on the Euronext Dublin Stock Exchange and are secured over all of the assets of the Subsidiary.

The secured subordinated loan stock has been subscribed by a fellow Group company, Greater Gabbard OFTO Intermediate Limited. The loan stock bears interest at 10% per annum and is repayable in instalments between 2032 and 2034.

All borrowings are carried at amortised cost. There have been no instances of default or other breaches of the terms of the financing agreements during the year in respect of all borrowings outstanding at 31 March 2025.

The Subsidiary also has access to a liquidity facility of £7,715k (2024: £6,884k) that the Company can access in the event that it has an insurable or income adjusting event.

EIB has provided a letter of credit at a level of 15% of senior bonds outstanding which is £26,149k at 31 March 2025 (2024: £28,510k) as a form of subordinated credit enhancement instrument for the Company in relation to the bonds and the hedging agreements.

### 17 Trade and other payables

|                                    | 2025<br>£'000 | 2024<br>£'000 |
|------------------------------------|---------------|---------------|
| Trade payables                     | 1,218         | 845           |
| Accruals                           | 107           | (267)         |
| Social security and other taxation | 882           | 892           |
|                                    | <u>2,207</u>  | <u>1,470</u>  |

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 17 Trade and other payables

(Continued)

Due to their short maturities, the fair value of all financial instruments included within trade and other payables approximates to their book value. Trade payables and accruals are measured at amortised cost.

### 18 Derivative financial asset

Derivatives are financial instruments that derive their value from the price of an underlying item, such as interest rates or other indices. The Group's use of derivative financial instruments is described below.

#### RPI swaps

The Group has entered into arrangements with third parties for the purpose of exchanging the majority (approximately 63.5%) of variable cash inflows arising from the operation of the Subsidiary's transmission assets in exchange for a pre-determined stream of cash inflows from these third parties. These arrangements meet the definition to be classified as derivative financial instruments. The Group entered into these derivative arrangements on 26 November 2013 with a forward start date for the calculation of the relevant rates commencing on 31 March 2012 and ending on 29 November 2032.

Under the terms of the Licence, regulatory and other contractual agreements, the Subsidiary is permitted to charge its principal customer, NGESO, an agreed amount for the services it provides. This amount is uplifted each year commencing 1 April by an amount computed by reference to the average increase in RPI over the previous 12-month period measured from 1 January through to 31 December. Where there is a reduction, or no increase, in the retail price index over the relevant period, then the charges remain unaltered from the previous year. These derivative arrangements (RPI swaps) have the effect of exchanging variable cash inflows (impacted by changes in RPI) in exchange for a known and predetermined stream of cash flows expected to arise over the same period.

#### Carrying value of all derivative financial instruments

All of the Group's derivative financial instruments are carried at fair value. The carrying value of all derivative financial liabilities at 31 March 2025 was liability of £15,894k (2024: £19,958k). All of the movement in the fair value of these derivative financial instruments has been recorded in the cash flow hedge reserve amounting to a credit of £4,064k (2024: credit £1,165k). The change in the carrying value is a result of changes in the RPI assumptions used for valuation purposes.

Ineffective portion of cash flow hedge recognised in the Consolidated Income Statement was £nil (2024: £nil). No amounts were reclassified to Profit on Loss from Statement of Comprehensive Income during the year (2024: Nil).

Further details regarding financial instruments and their related risks are given in note 24.

### 19 Provisions for liabilities

#### Movements on provisions:

#### Decommissioning provision £'000

|                       |             |
|-----------------------|-------------|
| At 1 April 2024       | 10,564      |
| Unwinding of discount | 433         |
|                       | <hr/>       |
| At 31 March 2025      | 10,997      |
|                       | <hr/> <hr/> |

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 19 Provisions for liabilities

(Continued)

The provision for decommissioning relates to the decommissioning and related management costs for the necessary removal of transmission cables and equipment expected to occur at the end of the 20 year licence period. The provision was approved at the start of the license period by management, subject to an annual review.

The timing and amounts settled in respect of these provisions are uncertain and dependant on various factors that are not always within management control:

- the timing of decommissioning is contingent upon any re-powering of the offshore wind farm and therefore the potential for the transmission assets to be used beyond the initial licence revenue. In such circumstance, the cost for decommissioning would be expected to be deferred until such time as would be agreed in any subsequent term. However, current assumption is that it is too uncertain to assume the wind farm would be repowered and therefore, decommissioning costs have been assumed to be incurred at the earliest most likely date.

- the amount of costs to be incurred at the time of decommissioning have been estimated based upon expected costs of decommissioning. However, given the time frame for the incurring of such costs, the level of provision is reviewed on an annual basis. The current decommissioning provision represents the present value of expected future cash flows which are estimated to settle the entity's future obligations in relation to decommissioning.

- if the expected nominal cost of decommissioning in 2031, 2032 or 2033 was 10% higher or lower than that reflected in the decommissioning provision at 31 March 2025, this would have the effect of increasing or decreasing the carrying value of the decommissioning provision at 31 March 2025 to £12,725k (2024: £11,620k) and £10,412k (2024: £4,617k), respectively.

The provision is in line with guidelines that are legally enacted at the balance sheet date.

### 20 Share capital

|                                     | 2025<br>Number | 2024<br>Number | 2025<br>£'000 | 2024<br>£'000 |
|-------------------------------------|----------------|----------------|---------------|---------------|
| <b>Ordinary share capital</b>       |                |                |               |               |
| <b><i>Issued and fully paid</i></b> |                |                |               |               |
| Ordinary shares of £1 each          | 50,999         | 50,999         | 51            | 51            |

The Company has one class of Ordinary Shares 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.

### 21 Hedging reserve

|                                             | 2025<br>£'000 | 2024<br>£'000 |
|---------------------------------------------|---------------|---------------|
| At the beginning of the year                | (14,968)      | (15,842)      |
| Gains and losses on cash flow hedges        | 4,064         | 1,165         |
| Tax on gains and losses on cash flow hedges | (1,016)       | (291)         |
| At the end of the year                      | (11,920)      | (14,968)      |

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 22 Analysis of changes in net debt

|                              | 1 April 2024     | Cash flows    | Other non-cash changes | Market value movements | 31 March 2025    |
|------------------------------|------------------|---------------|------------------------|------------------------|------------------|
|                              | £'000            | £'000         | £'000                  | £'000                  | £'000            |
| Cash at bank and in hand     | 24,529           | 4,553         | -                      | -                      | 29,082           |
| Borrowings*                  | (243,627)        | 17,719        | -                      | -                      | (225,907)        |
| Derivatives relating to debt | (19,958)         | -             | -                      | 4,064                  | (15,893)         |
|                              | <u>(239,056)</u> | <u>22,272</u> | <u>-</u>               | <u>4,064</u>           | <u>(212,718)</u> |
|                              |                  |               |                        |                        |                  |
|                              | 1 April 2023     | Cash flows    | Other non-cash changes | Market value movements | 31 March 2024    |
|                              | £'000            | £'000         | £'000                  | £'000                  | £'000            |
| <b>Prior year:</b>           |                  |               |                        |                        |                  |
| Cash at bank and in hand     | 24,303           | 226           | -                      | -                      | 24,529           |
| Borrowings*                  | (262,120)        | 18,493        | -                      | -                      | (243,627)        |
| Derivatives relating to debt | (21,123)         | -             | -                      | 1,165                  | (19,958)         |
|                              | <u>(258,940)</u> | <u>18,719</u> | <u>-</u>               | <u>1,165</u>           | <u>(239,056)</u> |

\*Cash flows made against borrowings consists of shareholder interest payments of £2,186k (2024: £3,475k), principal repayments on senior debt of £15,741k (2024: £15,242k) and movements on arrangement fees of £208k (2024: £223k).

### 23 Related party transactions

The following information relates to transactions with related parties during the year. These transactions were carried out in the normal course of business.

|                       | Interest (1) (including indexation) |              | Services received (2) |            |
|-----------------------|-------------------------------------|--------------|-----------------------|------------|
|                       | 2025                                | 2024         | 2025                  | 2024       |
|                       | £'000                               | £'000        | £'000                 | £'000      |
| Parent company        | 2,694                               | 3,550        | -                     | -          |
| Other related parties | -                                   | -            | 327                   | 300        |
|                       | <u>2,694</u>                        | <u>3,550</u> | <u>327</u>            | <u>300</u> |

The following amounts were outstanding at the reporting end date:

|                                       | 2025          | 2024          |
|---------------------------------------|---------------|---------------|
|                                       | £'000         | £'000         |
| <b>Amounts due to related parties</b> |               |               |
| Parent company                        | <u>52,260</u> | <u>54,477</u> |

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 23 Related party transactions

(Continued)

#### Other information

Outstanding balances include borrowings principle of £45,989,000 (2024: £45,989,000) and interest accrual of £6,271,000 (2024: £8,458,000).

(1) *Relates to funding related transactions and balances with the intermediate undertaking (GGOIL) and Greater Gabbard OFTO Plc ('the Subsidiary').*

(2) *The other services rendered at 31 March 2025 of £327k (2024: £300k) relate to amounts due to Equitix Management Services Limited (EMS). EMS are engaged to provide services under a Management Services Agreement.*

A summary of funding transactions with the intermediate parent is shown below:

|                                                                                  | 2025<br>£'000  | 2024<br>£'000 |
|----------------------------------------------------------------------------------|----------------|---------------|
| <b>Borrowings from intermediate undertaking (principal and accrued interest)</b> |                |               |
| At 1 April                                                                       | <b>54,447</b>  | 57,923        |
| Interest                                                                         | <b>(4,880)</b> | (8,800)       |
| Non-cash interest                                                                | <b>2,693</b>   | 5,323         |
| <b>At 31 March</b>                                                               | <b>52,260</b>  | 54,447        |

Borrowings from the intermediate undertaking (GGOIL) to the Subsidiary were negotiated on normal commercial terms and are repayable in accordance with the terms of the secured 10% loan notes 2033 ("the notes"). Payments of interest were made during the year which amounted to £4,880k (2024: £8,800k). Non-cash interest of £2,693k (2024: £5,323k) relates to accrued interest on the secured 10% loan notes. Absent to any non-compulsory repayment of the notes, the notes are contractually repayable by 28 November 2033.

Equitix Management Services Limited ("EMS") was a related party of the Company during the year ended 31 March 2025 by virtue of it being a related party to Equitix Transmission 2 Ltd and Equitix Capital Investors UK Cable Limited through to 31 March 2025. The services provided to the Group by EMS, started on 1 February 2016, were under normal commercial terms and related to professional management and financial services as described in the amended PSA.

No amounts have been provided at 31 March 2025 (2024: £nil), and no expense was recognised during the year (2024: £nil) in respect of bad or doubtful debts for any related party transactions.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### 24 Information relating to financial instruments and the management of risk

The following is an analysis of the Group's financial instruments at the Consolidated Statement of Financial Position date, denoting financial instruments that are measured at carrying value versus financial instruments measured at fair value. The following techniques have been used to determine carrying values and fair values:

- Cash and cash equivalents – approximates to the carrying value because of the short maturity of these instruments;
- Transmission owner asset – based on the net present value of net discounted cash flows;
- Current borrowings – approximates to the carrying value because of the short maturity of these instruments;
- Non-current borrowings – based on the net present value of discounted cash flows in respect of the fixed rate bank bond and loans notes due 2033;
- Derivative financial instruments – based on the net present fair value of discounted cash flows;
- Financial instrument receivables and payables - approximates to the carrying value because of the short maturity of these instruments; and

The table below summarises the value of the Group's financial instruments at the Statement of Financial Position date, using the techniques described above. The table excludes those instruments where the carrying value approximates to fair value as a result of the short maturity of those instruments. Consequently, no financial instruments which fall due within the next twelve months are included in this table.

|                                  | Recorded Value |                | Valuation method |
|----------------------------------|----------------|----------------|------------------|
|                                  | 2025           | 2024           |                  |
|                                  | £'000          | £'000          |                  |
| <u>Non-current assets</u>        |                |                |                  |
| Transmission owner asset         | 234,166        | 253,932        | Carrying value   |
| <b>Total</b>                     | <b>234,166</b> | <b>253,932</b> |                  |
| <u>Non-current liabilities</u>   |                |                |                  |
| Fixed rate bank bond             | 157,373        | 174,322        | Carrying value   |
| Loan notes 2033                  | 45,989         | 45,989         | Carrying value   |
| Derivative financial instruments | 15,894         | 19,958         | Fair value       |
| <b>Total</b>                     | <b>219,256</b> | <b>240,269</b> |                  |

Derivative financial instruments have been valued using Level 2 valuation techniques which means that in respect of the Group's financial instruments these have been valued using models where all significant inputs are based directly or indirectly on observable market data. These inputs are primarily data received from institutional loan counter parties using standard market measurement techniques. The valuation is sensitive to RPI changes and underlying changes in costs for decommissioning.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 24 Information relating to financial instruments and the management of risk

(Continued)

The valuation categories that have been assigned to these financial instruments have been applied throughout the year and there have been no reclassifications or transfers between the various valuation categories during the year.

#### Management of risk

The Board has overall responsibility for the Group's risk management framework. This risk framework is discussed further in the Operating and Financial Review.

The Group's activities expose it to a variety of financial risks, which arise in the normal course of business: market risk, credit risk, and liquidity risk. The overall risk management programme seeks to minimise the net impact of these risks on the operations of the Group by using financial instruments, including the use of derivative financial instruments – being the RPI swaps described in note 18 that are appropriate to the circumstances and economic environment within which the Group operates. The objectives and policies for holding, or issuing, financial instruments and similar contracts, and the strategies for achieving those objectives that have been followed during the year are explained below.

### 24 Information relating to financial instruments and the management of risk (Continued)

#### Market risk management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Changes in market price are derived from: currency movements; interest rate changes; and changes in prices caused by factors other than those derived from currency or interest rate changes.

The Group operates in the UK and has no significant exposure to foreign currency, and therefore this has an immaterial impact on market risk. Interest rate risk arises from the use of following financial instruments: Transmission owner asset; borrowings; and cash and cash equivalents.

The Transmission owner asset is carried at amortised cost, and the carrying value is affected by the rate of interest implicit within the calculation of finance income that has a consequential effect on the carrying value of the Transmission owner asset.

The fair value of the Transmission owner financial asset is subject to price risk caused by changes in RPI. This risk is managed by the RPI linked derivative financial instruments entered into by the Group.

All of the Group's borrowings have been issued at fixed rates and as such there is considered to be no risk to the Group from interest rate changes.

Cash and cash equivalents all attract interest at variable rates and therefore are subject to cash flow interest rate risk as cash flows arising from these sources will fluctuate with changes in interest rates. However, the interest cash flows arising from these sources are insignificant to the Group's activities and represent income to the Group rather than a cost.

The cash flows arising from the Transmission owner financial asset fluctuates with positive changes in RPI. The Group has entered into a series of RPI swaps to significantly reduce this cash flow risk. Further details and an explanation of the rationale for entering into these arrangements are explained in note 18. For the reasons outlined in note 18, the Directors have designated the RPI swaps as cash flow hedging derivatives and these are carried at fair value in the Consolidated Statement of Financial Position. The RPI swaps are considered to be effective cash flow hedges.



# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 24 Information relating to financial instruments and the management of risk (Continued)

#### ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations.

Credit risk primarily arises from the Group's normal commercial operations that actually, or potentially, arises from the Company's exposure to: a) NGESO in respect of invoices submitted by the Group for transmission services; b) the counterparties to the RPI swaps described in note 18; and c) short term deposits. There are no other significant credit exposures to which the Group is exposed. The maximum exposure to credit risk at 31 March 2024 and 31 March 2025 is the fair value of all financial assets held by the Group. The fair value of the transmission owner asset is derived from the financial model and is reviewed as part of management's assessment for impairment indicators. None of the Group's financial assets are past due or impaired.

Through to 31 March 2025, NGESO was the Group's principal customer, and income derived from NGESO represents all of the Group's income. With effect from 1 April 2021, some of the functions previously carried out by NGESO were transferred to a fellow subsidiary undertaking (NGESO) within the National Grid group of companies, in particular, NGESO is now responsible for settling the Group's transmission services invoices. Both NGESO and its fellow subsidiary undertaking operates low risk regulated businesses within the UK, and the regulatory regime under which they operate results in a highly predictable, and stable, revenue stream. NGESO has an obligation to maintain an investment grade credit rating, which it has currently maintained. It is also subject to a regulatory financial 'ring fence' that restricts NGESO's ability to undertake transactions with other National Grid subsidiaries, which includes the paying of dividends, lending or the levying of charges. Even in the very unlikely circumstance of NGESO's insolvency, it is probable that any amounts outstanding would still be recovered. This arises because NGESO and NGESO are also 'protected energy Companies' under the terms of the Energy Act 2004, which allows the Secretary of State to apply for an energy administration order which would give priority to the rescue of NGESO and NGESO as a going concern.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 24 Information relating to financial instruments and the management of risk

(Continued)

#### iii) Liquidity risk and going concern

Liquidity risk is the risk that the Group will have insufficient funds to meet its liabilities. The Board of Directors manages this risk through its 6 monthly review and update of its forecast.

As a result of the regulatory environment under which the Group operates; the credit worthiness of the Group's principal customer (NGESO); and the RPI swaps that has been put in place, the cash inflows generated by the Group are highly predictable and stable. In addition, all of the Group's senior debt carry a fixed coupon, and based on the forecasts prepared by the Group, all of these debt service costs are expected to be met from the cash inflows the Group is expected to generate over the whole period of the project. During the year ending 31 March 2025, senior debt-service costs amounted to £7,698k (2024: £8,328k). There is no contractual obligation on the Group to service the secured borrowing until 28 November 2032, although it is the Group's intention to service this borrowing when cash flows are sufficient, and it is prudent to do so. Cash outflows in respect of the secured borrowings amounted to £7,698k (2024: £8,328k).

In accordance with the conditions of the various lending agreements, the Group is required to transfer funds to certain specified bank accounts and/or hold certain amounts on deposit for specified purposes. Access to these bank accounts by the Group is subject to the agreement of the lenders and, in particular, access to amounts held on deposit held for specified purposes is restricted under the lending agreements. Such specific purposes include the holding of sufficient funds in restrictive bank accounts to meet senior debt servicing requirements for a period of six months in the future. The Group's use of these funds is restricted either to the specific purpose contemplated by the lending agreements, or until certain conditions are met or exceeded. Where these conditions are met or exceeded then the use of any net cash generated in excess of the minimum necessary to meet the restrictive conditions is unfettered.

At 31 March 2025, cash and cash equivalents included £26,769k (2024: £22,160k) that are held for specific purposes in the manner described above and additional amounts of cash and cash deposits amounting to £2,313k (2024: £2,369k) which requires the consent of the Group's lenders but are available for general corporate purposes.

The Group prepares both short-term and long-term cash flow forecasts on a regular basis to assess the liquidity requirements of the Group. These forecasts also include a consideration of the lending requirements including the need to transfer funds to certain bank accounts that are restricted as to their use. It is the Group's policy to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation.

Future costs are potentially at risk due to the cost of decommissioning. To mitigate this risk a Decommissioning Reserve Account has been opened and is currently being funded.

In addition to the existing borrowings of the Group, the Group has secured committed credit facilities with the European Investment Bank through the Project Bond Credit Enhancement amounting to £28,510k at 31 March 2025 (2024: £28,510k) which expire in 2032. These facilities were undrawn at 31 March 2025 (2024: £nil) and are available to the Group under certain conditions laid down within the Group's lending agreements.

During the year the Group has continued to meet its contractual obligations as they have fallen due and based on the forecasts prepared the Directors expect that the Group will continue to do so for the foreseeable future. The Group has complied with its financial covenants in relation to the obligations that it has to senior debt holders and the forecasts continue to support that these will continue to be complied. In addition, further liquidity is also available in the form of committed facilities, as referenced above. All of these factors have allowed the Directors to conclude that the Group has sufficient headroom to continue as a going concern. The statement of going concern is included in the Operating and Financial Review.

The contractual cash flows shown in the table on the following page are the contractual undiscounted cash flows relating to the relevant financial instruments. Where the contractual cash flows are variable based on a price or index in the future, the contractual cash flows in the table have been determined with reference to the relevant price, interest rate or index as at the Consolidated Statement of Financial Position date.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 24 Information relating to financial instruments and the management of risk (Continued)

|                                                | >1 year<br>£'000 | 1 - 2 years<br>£'000 | 2 - 5 years<br>£'000 | 5+ years<br>£'000 | Total<br>£'000 |
|------------------------------------------------|------------------|----------------------|----------------------|-------------------|----------------|
| <b>At 31 March 2024</b>                        |                  |                      |                      |                   |                |
| Transmission owner asset                       | 35,333           | 36,391               | 115,309              | 199,043           | 386,076        |
| Cash and cash equivalents                      | 24,529           | -                    | -                    | -                 | 24,529         |
| Borrowings (principal repayments)              | 15,741           | 16,952               | 66,864               | 90,508            | 190,065        |
| Borrowings (interest payments)                 | 7,698            | 7,039                | 16,246               | 7,784             | 38,767         |
| Trade & other non-interest bearing liabilities | 1,470            | -                    | -                    | -                 | 1,470          |
| RPI Swaps                                      | 625              | 638                  | 2,115                | 945               | 4,323          |
|                                                | <u>34,327</u>    | <u>11,762</u>        | <u>30,084</u>        | <u>99,805</u>     | <u>175,978</u> |
| <b>At 31 March 2025</b>                        |                  |                      |                      |                   |                |
| Transmission owner asset                       | 39,792           | 41,300               | 131,546              | 174,745           | 387,383        |
| Cash and cash equivalents                      | 29,082           | -                    | -                    | -                 | 29,082         |
| Borrowings (principal repayments)              | 16,952           | 20,100               | 72,607               | 64,665            | 174,324        |
| Borrowings (interest payments)                 | 7,039            | 6,315                | 13,410               | 4,305             | 31,069         |
| Trade & other non-interest bearing liabilities | 2,208            | -                    | -                    | -                 | 2,208          |
| RPI Swaps                                      | 2,798            | 3,077                | 9,807                | 8,443             | 24,125         |
|                                                | <u>39,877</u>    | <u>11,808</u>        | <u>35,722</u>        | <u>97,332</u>     | <u>184,739</u> |

#### Liquidity risk management

In determining the interest element of contractual cash flows in cases where the Company has a choice as to the length of interest calculation periods and the interest rate that applies varies with the period selected, the contractual cash flows have been calculated assuming the Company selects the shortest available interest calculation periods.

Where the holder of an instrument has a choice of when to redeem, the following tables are prepared on the assumption the holder redeems at the earliest opportunity.

The numbers in the tables above have been included in the Company's cash flow forecasts for the purposes of considering Liquidity Risk as noted above. The table shows the undiscounted contractual maturities of financial assets and financial liabilities, including interest.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 24 Information relating to financial instruments and the management of risk (Continued)

#### iv) Sensitivities

Changes in RPI affect the carrying value of those financial instruments that are recorded in the Consolidated Statement of Financial Position at fair value. The only financial instruments that are carried in the Consolidated Statement of Financial Position at fair value are the stand-alone derivative financial instruments - RPI as described in note 18 above. As explained in note 18, the Directors believe that these derivative financial instruments have a highly effective hedging relationship with the underlying cash flow positions they are hedging, and they expect this relationship to continue into the foreseeable future. Any movement in the fair value of these derivatives would be expected to be recorded in the cash flow hedge reserve, and would not affect the Consolidated Income Statement. Changes in the fair value of RPI swaps are expected to be substantially matched by changes in the fair values of the positions they are hedging, due to the highly effective hedging relationships. However, the underlying positions being hedged – in the case of RPI swaps a substantial proportion of the cash flows emanating from the Transmission owner asset are carried at amortised cost. Consequently, any change in the fair value of the underlying hedged positions would not be recorded in the financial statements. The Directors are of the opinion that the net impact of potential changes in the fair value of the derivative financial instruments held by the Group has no substantive economic impact on the Group because of the corresponding economic impact on the underlying derivative financial instruments it is hedging.

Where there is a movement in long term RPI assumptions, the following changes in valuation and equity are likely to occur with no impact on the Consolidated Income statement:

| Sensitivity | Future RPI Rate | Valuation<br>£'000s | Movement<br>£'000s |
|-------------|-----------------|---------------------|--------------------|
| -           | 3.000%          | (14,276)            | -                  |
| 0.50%       | 3.500%          | (17,194)            | (2,918)            |
| (0.50%)     | 2.500%          | (11,418)            | 5,776              |

#### v) Capital management

The Group is funded by a combination of senior debt, subordinated debt and equity in accordance with the Directors' objectives of establishing an appropriately funded business consistent with that of a prudent offshore electricity transmission operator and the terms of all legal and regulatory obligations including those of the Licence and the Utilities Act 2000.

The group is not subject to any externally imposed capital requirements.

Senior debt is comprised of fixed bonds credit enhanced by the European Investment Bank through the Project Bond Credit Enhancement Instrument (PBCE) and carries an interest rate of 4.14% per annum. All of the senior debt and related interest rate derivatives is serviced on a six monthly basis and is expected to amortise over the life of the project through to November 2032. At 31 March 2025, the total carrying value of senior debt amounted to £173,647k (2024: £189,178k).

Subordinated debt has been issued to the Group's intermediate undertaking, GGOIL and carries a fixed rate coupon. At 31 March 2025 the total principal value of the subordinated debt outstanding amounted to £52,259k (2024: £54,447k).

Ordinary equity share capital issued during the year amounted to £nil (2024: £nil) and at 31 March 2025 amounted to £51k (2024: £51k).

The Directors consider that the capital structure of the Group meets the Group's objectives, and is sufficient to allow the Group to continue its operations for the foreseeable future based on current projections, and consequently has no current requirement for additional funding.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 25 Controlling Party

The Company's immediate parent companies are Equitix Transmission 2 Limited (company number 08196283) and Equitix Capital Investors UK Cable Limited (company number 08187974). The company is a 67% subsidiary of Equitix Transmission 2 Limited and a 33% subsidiary of Equitix Capital Investors UK Cable Limited. The parents' registered address is 3rd Floor (South), 200 Aldersgate Street, London, EC1A 4HD. There is no ultimate controlling party.

### 26 Events after the reporting date

There are no balance sheet events to be reported following the date of approval of financial statements.

### 27 Cash generated from operations

|                                                 | 2025<br>£'000 | 2024<br>£'000 |
|-------------------------------------------------|---------------|---------------|
| Profit for the year before income tax           | 7,590         | 5,193         |
| <b>Adjustments for:</b>                         |               |               |
| Net finance costs                               | (6,500)       | (4,133)       |
| Income recognised in respect of financial asset | 9,644         | 11,929        |
| Cash receivable on the finance debtor           | 34,967        | 36,434        |
| Interest paid                                   | (11,768)      | (18,072)      |
| <b>Movements in working capital:</b>            |               |               |
| Increase in trade and other receivables         | (15,334)      | (16,569)      |
| Decrease in trade and other payables            | (22)          | (867)         |
| <b>Cash generated from operations</b>           | <b>18,577</b> | <b>13,915</b> |

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 28 Glossary

#### A

##### Annual General Meeting (AGM)

Meeting of shareholders of the Company, held on an annual basis, to consider ordinary and special business, as detailed in the Notice of AGM.

##### The Authority

The Gas and Electricity Markets Authority.

#### B

##### Board

The Board of Directors of the Company.

#### C

##### called up share capital

Shares that have been issued and have been fully paid for.

##### carrying value

The amount at which an asset or liability is recorded in the Statement of Financial Position.

##### charging year

The period of time in between 1st April in one calendar year, and 31st March, in the following calendar year.

##### Cash Flow Hedges

A hedge of the exposure to variability in cash flows that (i) is attributable to a particular risk associated with a recognised asset or liability such as all or some future interest payments on variable rate debt or a highly probable forecast transaction and (ii) could affect profit or loss.

##### the Company, Greater Gabbard OFTO Plc, GGO, we, our, or us

The terms 'the Company', 'Greater Gabbard OFTO Plc', GGO, 'we', 'our', or 'us' are used to refer to Greater Gabbard OFTO Plc, depending on context.

##### contingent liabilities

Possible obligations or potential liabilities arising from past events, for which no provision has been recorded, but for which disclosure in the financial statements is made.

#### D

##### deferred tax

For most assets and liabilities, deferred tax is the amount of tax that will be payable or received in respect of that asset or liability in future tax returns as a result of a difference between the carrying value for accounting purposes in the Statement of Financial Position and the value for tax purposes of the same asset or liability.

##### derivative

A financial instrument or other contract where the value is linked to an underlying index, such as exchange rates, interest rates, RPI or commodity prices.

#### E

##### EDS

EDS HV Management Limited – supplier of Operator services to the Company

##### EIB

The European Investment Bank, the European Union's long term lending institution, established by the Treaty of Rome in 1958, with the aim of furthering European integration.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 28 Glossary

(Continued)

Equitix Transmission 2 Limited.

Shareholder

Equitix Capital Investors UK Cable Limited

Shareholder

Equitix Management Services Limited ("EMS")

Management services provider

equity

In financial statements, the amount of net assets attributable to shareholders.

### F

financial year

For Greater Gabbard OFTO Plc this is the accounting year ending on 31st March.

### G

Great Britain

The islands of Great Britain comprised of its constituent parts, namely: Wales, England, and Scotland.

GGO

Greater Gabbard OFTO Plc.

GGOHL

Greater Gabbard OFTO Holdings Limited.

GGOIL

Greater Gabbard OFTO Intermediate Limited.

the Group

Greater Gabbard OFTO Holdings Limited and its subsidiary undertakings.

GOWL

Greater Gabbard Offshore Winds Limited.

### H

HS&E

Health, Safety, and the Environment.

### I

IAS or IFRS

An International Accounting Standard, or International Financial Reporting Standard, as issued by the International Accounting Standards Board (IASB).

IASB

International Accounting Standards Board.

IFRIC 12

Service Concessions Arrangements.

IFRS

See IAS.

# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 28 Glossary

(Continued)

#### **K**

##### KPIs

Key performance indicators.

##### kV

Kilovolt – an amount of electrical force equal to 1,000 volts.

##### kWh

Kilowatt hours – an amount of energy equivalent to delivering 1,000 watts of power for a period of one hour.

#### **L**

##### LIBOR

London Interbank Offered Rate.

##### the Licence

The Offshore Electricity Licence held by Greater Gabbard OFTO Plc.

##### LTIs

Lost time injury – an incident arising out of Greater Gabbard OFTO Plc's operations which leads to an injury where the employee or contractor normally has time off the following day, or shift following, the incident. It relates to one specific (acute) identifiable incident which arises as a result of Greater Gabbard OFTO Plc's premise, plant, or activities, which was reported to the supervisor at the time, and was subject to appropriate investigation.

##### lost time injury frequency rate

The number of lost time injuries per 100,000 hours worked, over a 12 month period.

#### **M**

##### MMO

Marine Management Organisation.

##### MW

Megawatts – an amount of power equal to one million watts.

##### MWh

Megawatt hours – an amount of energy equivalent to delivering one million watts of power over a period of one hour.

#### **N**

##### NGESO

National Grid Electricity System Operato Ltd.

##### the Notes (see also subordinated loan, subordinated loan agreement, subordinated debt)

Secured fixed rate Loan Notes 2033.



# GREATER GABBARD OFTO HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 28 Glossary

(Continued)

#### O

##### Ofgem

The UK Office of Gas and Electricity Markets, part of the UK Gas and Electricity Markets Authority (GEMA), which regulates the energy markets in the UK.

##### OFTO(s)

Offshore Transmission Owner (S).

##### O&M

Operations and Maintenance.

#### P

##### Performance year

The year or part thereof (in the case of the commencement and termination years) over which the Company's transmission availability performance is measured – 1 April through to 31 March (or part thereof).

##### PSA

Professional Services Agreement.

#### R

##### RPI

The UK retail price index as published by the Office for National Statistics.

##### RPI Swaps

A derivative financial instrument that is a binding agreement between counterparties to exchange cash flows relating to RPI on a predetermined principal amount. The Company pays variable cash flows arising from changes in RPI on a predetermined notional amount in exchange for receipt of fixed amounts.

#### S

##### Senior Debt

All borrowings except those arising under the subordinated loan agreement.

##### SPA

Sale and Purchase Agreement.

##### STC

System Operator - Transmission Owner Code.

##### SQSS

Security and Quality of Supply Standard Subordinated loan, subordinated loan agreement, subordinated debt (see also the Notes). Amounts borrowed by the Company from GGOIL which ranks behind the senior debt.

#### T

##### TEC

Transmission Entry Capacity.

##### TOCA

Transmission Owner Construction Agreement.

#### U

##### UK

The United Kingdom of Great Britain and Northern Ireland, comprising: Wales, England, Scotland, and Northern Ireland.