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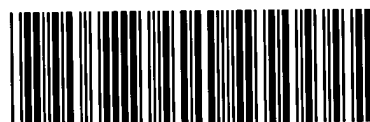
BLUE TRANSMISSION

**Blue Transmission London Array
(Holdings) Limited**

Annual Report and Financial Statements 2017/18

Registered in England and Wales. Company number: 08275827

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COMPANIES HOUSE

Blue Transmission London Array (Holdings) Limited

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Blue Transmission London Array (Holdings) Limited

Company information

For the year ended 31 March 2018

The board of directors	Matthew Edwards	
	Graham Farley	
	Tomoyuki Okuda	(Appointed 30 May 2017)
	Gary Thornton	
	Satoshi Shimizu	(Resigned 30 May 2017)
Company secretary	Infrastructure Managers Limited	
Registered office	Cannon Place 78 Cannon Street London EC4N 6AF	
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Level 4 Atria One 144 Morrison Street Edinburgh EH3 8EX	

Blue Transmission London Array (Holdings) Limited

Strategic Report

For the year ended 31 March 2018

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

Principal objectives

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

The Company holds 100% of the ordinary shares of Blue Transmission London Array Limited ("BTLA"), its sole subsidiary undertaking. In addition, it holds an investment in unsecured loan notes issued by BTLA which are described further under "Returns from Subsidiary Undertaking" in the Directors' report.

Review of the Business

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

Future Developments

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

Key Performance Indicators

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

Principal Risks and Uncertainties

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

Approved on behalf of the Board



Graham Farley

Director

27 June 2018

Blue Transmission London Array (Holdings) Limited

Directors' Report (continued)

For the year ended 31 March 2018

Country of Registration and Principal Activity

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

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

The Company's Financial Position

The profit attributable to equity shareholders for the year amounted to £464k (2017: £930k).

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

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

During the year the Company paid dividends of £464k (2017: £930k). Particulars of the dividends paid in the year is detailed in note 4 to the financial statements.

Directors

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

Directors' and Officers' liability insurance cover is arranged.

Qualifying third party indemnity provisions

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

Parent undertaking

Blue Transmission London Array (Holdings) Limited is a wholly owned subsidiary undertaking of BTI. BTI is incorporated in Jersey.

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

Blue Transmission London Array (Holdings) Limited

Directors' Report (continued)

For the year ended 31 March 2018

Returns from Subsidiary Undertaking

On 10 September 2013, Blue Transmission London Array Limited issued £82,638k unsecured 8.21% Loan Notes 2033 to the Company. During the year ended 31 March 2018, the Company received principal payments amounting to £1,000k (2017: £5,153k) and recognised interest of £6,093k (2017: £6,139k). The principal amount outstanding at 31 March 2018 was £74,412k (2017: £74,972k) and is included within "Investments in Subsidiary Undertaking" in the balance sheet. The Company received dividends of £464k during the year (2017: £930k).

Donations and research and development

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

Financial instruments

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

Going concern

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

Future developments

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

Employee involvement

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

Audit information

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

Blue Transmission London Array (Holdings) Limited

Directors' Report (continued)

For the year ended 31 March 2018

Cash flow statement

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

Approved on behalf of the Board



Graham Farley

Director

27 June 2018

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

Blue Transmission London Array (Holdings) Limited

Statement of Directors' Responsibilities

For the year ended 31 March 2018

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved on behalf of the Board



Graham Farley
Director
27 June 2018

Independent Auditors' Report to the members of Blue Transmission London Array (Holdings) Limited

For the year ended 31 March 2018

Report on the audit of the financial statements

Opinion

In our opinion, Blue Transmission London Array (Holdings) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its result for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2018; the Income Statement for the year then ended; the Statement of Changes in Equity for the year then ended; the accounting policies; and the notes to the financial statements, which include other explanatory information.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Independent Auditors' Report to the members of Blue Transmission London Array (Holdings) Limited (continued)

For the year ended 31 March 2018

Reporting on other information

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

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Director's Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Report to the members of Blue Transmission London Array (Holdings) Limited (continued)

For the year ended 31 March 2018

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Mark Hoskyns-Abraham (Senior Statutory Auditor)

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

Blue Transmission London Array (Holdings) Limited

Accounting policies (continued)

For the year ended 31 March 2018

A. Basis of preparation of financial statements under IFRS

These financial statements have been prepared on a going concern basis and in accordance with EU endorsed International Financial Reporting Standards (IFRS), interpretations issued by the IFRS Interpretations Committee (IFRS IC) and in accordance with the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared using consistent accounting policies updated, where necessary, to ensure that the accounting policies adopted reflect all IFRS accounting standards that have been endorsed by the EU and any related interpretations issued by the IFRS IC that are mandatory for the year ended 31 March 2018. The financial statements have been prepared on an historical cost basis except for the revaluation of derivative financial instruments. The financial statements are presented in pounds sterling, which is the functional currency of the Company and are rounded to the nearest £1,000.

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

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

B. Investments in Subsidiary Undertaking

The investments in Subsidiary Undertaking comprise the Company's investments in the ordinary shares and loan receivables due from its subsidiary undertaking. These investments are financial instruments and are classified as 'Investments in Subsidiary Undertaking'. The loan receivable is recognised at amortised cost, using the effective interest rate method, less any appropriate allowances for estimated irrecoverable amounts.

The Company investment in the ordinary shares of its subsidiary undertaking is carried at cost less any appropriate allowance for impairment.

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

C. Borrowing

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

Blue Transmission London Array (Holdings) Limited

Accounting policies (continued)

For the year ended 31 March 2018

D. Interest income and expense

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

E. Income taxation

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

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

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

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

i) Investments in Subsidiary Undertaking

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

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

Blue Transmission London Array (Holdings) Limited

Accounting policies (continued)

For the year ended 31 March 2018

G. Accounting developments

i) Accounting standards as applied to these financial statements

In preparing these financial statements the Company has complied with IFRS, International Accounting Standards (IAS) and Interpretations applicable either for accounting periods starting by 1 April 2017 or ending by 31 March 2018 and have been endorsed by the EU. No new accounting standards, amendments to standards or interpretations that have been issued and endorsed by the EU and are applicable to these financial statements for the first time have had any significant effect on the measurement of assets and/or liabilities or any of the disclosures included herein.

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

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

H. Cash flow Statement

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

Blue Transmission London Array (Holdings) Limited

Income statement

For the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Income from shares in group undertaking		464	930
Interest income	2	6,093	6,139
Interest expense	2	(6,093)	(6,139)
Profit on ordinary activities before taxation		464	930
Tax on profit on ordinary activities	3	-	-
Profit attributable to equity shareholders		464	930

The notes on pages 15 to 18 form part of these financial statements.

The results reported above relate to continuing operations.

The Company has no recognised gains and losses other than those included in the profit (2017: £nil) above and therefore no separate statement of comprehensive income has been presented.

Blue Transmission London Array (Holdings) Limited

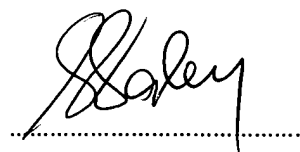
Balance sheet

As at 31 March 2018

	Note	2018 £'000	2017 £'000
Non-current assets			
Investments in Subsidiary Undertaking	5	<u>75,247</u>	<u>75,807</u>
Total non-current assets		<u>75,247</u>	<u>75,807</u>
Current assets			
Amounts owed by Subsidiary Undertaking		<u>1,506</u>	<u>1,497</u>
Total current assets		<u>1,506</u>	<u>1,497</u>
Total assets		<u>76,753</u>	<u>77,304</u>
Current liabilities			
Amounts owed to parent undertaking		<u>(1,506)</u>	<u>(1,497)</u>
Total current liabilities		<u>(1,506)</u>	<u>(1,497)</u>
Non-current liabilities			
Borrowing	6	<u>(74,412)</u>	<u>(74,972)</u>
Total non-current liabilities		<u>(74,412)</u>	<u>(74,972)</u>
Total liabilities		<u>(75,918)</u>	<u>(76,469)</u>
Net assets		<u>835</u>	<u>835</u>
Equity			
Called up share capital	7	<u>835</u>	<u>835</u>
Retained earnings	9	<u>-</u>	<u>-</u>
Total equity		<u>835</u>	<u>835</u>

Company number: 08275827

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



Graham Farley
Director

Blue Transmission London Array (Holdings) Limited

Statement of changes in equity

For the year ended 31 March 2018

	Note	Called up share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2016		835	-	835
Profit attributable to equity shareholders		-	930	930
Dividend paid	4	-	(930)	(930)
At 31 March 2017		<u>835</u>	<u>-</u>	<u>835</u>
Profit attributable to equity shareholders		-	464	464
Dividend paid	4	-	(464)	(464)
At 31 March 2018		<u>835</u>	<u>-</u>	<u>835</u>

Blue Transmission London Array (Holdings) Limited

Notes to the financial statements

For the year ended 31 March 2018

1. Profit attributable to Equity Shareholders

Auditors' remuneration is borne by the subsidiary undertaking.

The Directors did not receive any remuneration from the Company during the year (2017: £nil).

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

2. Net interest expense

Net interest expense is as tabulated below:

	2018 £'000	2017 £'000
Interest income		
Interest on loan to Subsidiary Undertaking	6,093	6,139
	<u>6,093</u>	<u>6,139</u>
Interest expense		
Interest on loan from parent undertaking	(6,093)	(6,139)
	<u>(6,093)</u>	<u>(6,139)</u>
Net interest expense	<u>-</u>	<u>-</u>

3. Tax on profit on ordinary activities

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

	2018 £'000	2017 £'000
Profit on ordinary activities before taxation	464	930
Taxation at 19% (2017: 20%) on profit before taxation	88	186
Effects of:		
- income not chargeable for tax purposes	(88)	(186)
Taxation charge for the year	<u>-</u>	<u>-</u>

Blue Transmission London Array (Holdings) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2018

4. Dividends

Equity Dividends

	2018 £'000	2017 £'000
Interim dividends	<u>464</u>	<u>930</u>

Interim ordinary dividends of 55.59p (2017: 111.41p) per ordinary share were paid during the year ended 31 March 2018 to the Company's immediate parent undertaking Blue Transmission Investments Limited ("BTI").

5. Investments in Subsidiary Undertaking

	2018 £'000	2017 £'000
Cost at 1 April	75,807	80,960
Capitalised interest	440	-
Repayments	<u>(1,000)</u>	<u>(5,153)</u>
Cost at 31 March	<u>75,247</u>	<u>75,807</u>

Investments held at 31 March 2018 comprise: £835k (2017: £835k) in all of the ordinary share capital of BTLA; and £74,412k (2017: £74,972k) in respect of unsecured Loan Notes 2033.

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

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

	2018 £'000	2017 £'000
Profit attributable to equity shareholders for the year	3,382	2,960
Capital and Reserves	<u>(9,737)</u>	<u>(22,949)</u>

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

Blue Transmission London Array (Holdings) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2018

6. Borrowing

The following table analyses the Company's borrowing:

	2018 £'000	2017 £'000
Non-current		
Amounts owed to parent undertaking	<u>74,412</u>	<u>74,972</u>

The amounts owed to parent undertaking is unsecured, and carries a fixed coupon of 8.21% per annum. This loan is contractually repayable on 31 October 2033.

The borrowing is carried at amortised cost.

There have been no instances of default or other breaches of the terms of the loan agreement during the year in respect of the loan outstanding at 31 March 2018 (2017: None).

7. Called up share capital

Share capital is as analysed below.

	No. (thousands)	£'000
Allotted, called up and fully paid		
At 1 April 2016, 1 April 2017 and 31 March 2018	<u>835</u>	<u>835</u>

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

8. Related party transactions

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

	2018 £'000	2017 £'000
Borrowing from immediate parent undertaking (principal)		
At 1 April	74,972	80,125
Capitalised interest	440	-
Repayments	<u>(1,000)</u>	<u>(5,153)</u>
At 31 March	<u>74,412</u>	<u>74,972</u>

Blue Transmission London Array (Holdings) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2018

8. Related party transactions (continued)

The borrowing from the immediate parent undertaking was negotiated on normal commercial terms and is repayable in accordance with the terms of the unsecured 8.21% loan notes 2033. Payments of interest and principal repayments were made during the year which amounted to £6,644k (2017: £11,374k).

Amounts due from BTLA and owed to BTI in respect of accrued interest as at 31 March 2018 amounted to £1,506k (2017: £1,497k).

During the year, the Company recognised interest income from BTLA of £6,093k (2017: £6,139k) and an interest expense on the loan with BTI of £6,093k (2017: £6,139k). The Company received dividends of £464k from BTLA (2017: £930k) and paid dividends of £464k (2017: £930k).

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

9. Retained earnings

	2018 £'000	2017 £'000
At 1 April	-	-
Profit attributable to equity shareholders	464	930
Equity dividend	(464)	(930)
At 31 March	-	-

The Company paid dividends of £464k (2017: £930k) to its immediate parent BTI during the year.

10. Ultimate parent company

Blue Transmission London Array (Holdings) Limited's immediate parent company, and controlling party, is Blue Transmission Investments Limited (incorporated in Jersey). Blue Transmission Investments Limited consolidates the financial statements of the Company.