

**BritNed Development Limited**

**Annual Report**

**and Financial Statements**

**For the year ended 31 December 2024**

Company registration number: 04251409

# **BritNed Development Limited**

## **Strategic Report**

### **for the year ended 31 December 2024**

The Directors present their strategic report on BritNed Development Limited ('the Company', 'BritNed') for the year ended 31 December 2024.

The Company is a single entity, incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of the registered office is:

1-3 Strand  
London  
WC2N 5EH

#### **Review of the business**

The Company's principal activity is the operation of a sub-sea interconnector link between the electricity networks of Great Britain and the Netherlands. The interconnector is a high voltage land and subsea cable connecting the electrical systems of the two countries. It enables surplus energy to be traded between countries supporting any surges in demand.

#### **Macro-Economic Climate**

The revenue of the Company is generated based on the power price spread between the UK and the Netherlands. This is a particularly volatile market where prices fluctuate on an hourly basis in each country, dependent on weather, generation (nuclear, solar, gas, wind etc), and geo-political factors. This volatility presents one of the Company's principal risks as when the price spread between the two countries converges, the revenue will decrease.

There have been several key developments in the European macro-economic picture over the past year. Inflation in Great Britain and Europe has stabilised, and energy demand appears to have levelled following declines attributed to the Covid-19 pandemic and the energy crisis. After a decade of decrease, electricity demand in Great Britain rose in 2024 compared to 2023, partly due to a 21.0% year-on-year increase in demand from Energy Intensive Industries. GB wind generation continued to grow as new wind farms came online; generation grew 4.6 TWh (5.0%). Solar generation also grew by 1.1 TWh (9.0%). The increased renewables share in GB and Europe and more general market volatility has led to record occurrences of negative prices through 2024 but also provides additional incentives for cross-border electricity flows on interconnectors. A rising gas price and falling coal price towards the end of 2024 and into 2025 saw the competitiveness of coal-fired generation improve when compared to gas-fired generation: the lack of coal-stations in GB means it cannot benefit from this dynamic, and electricity may increasingly price at a premium to the Netherlands, widening spreads on BritNed. Consistent with previous years, GB has been a net importer of power along BritNed during 2024.

Throughout 2024, Europe has imported less Liquefied Natural Gas (LNG) than the last two years due to increased global demand drawing LNG vessels away from Europe. This dynamic combined with a cool winter has led to Europe drawing more on its gas storage reserves through winter 2024/25 which will increase demand for refill through summer 2025. Higher costs of gas-fired power have gradually pushed up power prices throughout 2024/25 year, increasing periods of wide power price spreads between the UK and the Netherlands.

**BritNed Development Limited**  
**Strategic Report (continued)**  
**for the year ended 31 December 2024**

**Capacity Market**

The Capacity Market was introduced as part of the Energy Market Reforms to ensure future security to the UK energy supply. In return for Capacity Market Revenue, BritNed must provide energy at times of system stress. The delivery years covers the period from 1st October through until 30th September each year. BritNed Capacity Market Revenues increased from 2023 to 2024 largely because the De-rating factor and Clearing Price for the 2024/25 T-4 Auction was higher than of 2023/24.

**Empire Allocation & Nomination Platform**

Throughout the year, BritNed has added new and innovative functionality to the award-winning Empire nomination and allocation platform, supporting the platform to continuously develop and improve. These advancements have been informed by feedback from BritNed's customers, helping to ensure the platform meets their evolving needs.

New products launched in 2024 include the long-term Weekly auction and the Intraday Buy Now auction. Both of these new products were launched to expand BritNed's auction portfolio and offer a greater choice for participants. New financial reports and a redesign of the invoicing processes were also implemented to provide customers with improved clarity on the monthly invoices.

**Operational Risk**

The principal risk facing the Company remains the failure of the cable which could result in an unplanned outage where no flow would be possible and no revenue would be generated. An asset management and replacement plan are in place to mitigate the risk of this occurring. The business continues to take out property damage and business interruption insurance to enable the business to recover any financial losses incurred if an event of this kind was to happen.

Asset availability for the year was reported at 81.0% (2023: 97%). The year on year reduction driven by an extended planned outage in July to undertake essential maintenance work, as well as a cable fault that occurred in December 2024. The fault occurred onshore in the Netherlands, on 6th December 2024. The interconnector returned to commercial service after 51 days on 27th January. The management team is now focused on recovery of the faulted section and understanding the root cause of the event.

During 2024 the remediation of cable depth burial for part of the interconnector has been completed as planned and in-line with the annual cable survey of 2023. The guard vessel that was present in 2023 ceased to be required following the completion of the work. The management of the Company continues to monitor the condition of the asset that is currently in operation.

**BritNed Development Limited**  
**Strategic Report (continued)**  
**for the year ended 31 December 2024**

**Post Balance Sheet Event**

On 27<sup>th</sup> June 2025, €39.8m interim dividends have been paid to shareholders. This equates to €0.07 per share held.

**Results**

The profit for the financial year was €55.4m (2023: €243.6m).

**Financial position**

The financial position of the Company is presented in the balance sheet. Total equity funds as at 31 December 2024 were €407.1m (2023: €414.3m) comprising total non-current assets of €429.5m (2023: €445.9m), other non-current liabilities of €1.4m (2023: €1.5m), the lease liability based on IFRS 16 of €38.3m (2023: €36.8m), the estimation of the decommissioning provision in 2024 of €47.9m (2023: €53.1m), deferred tax liabilities of €7.4m (2023: €7.6m) and net current assets of €72.6m (2023: €67.4m).

**Financial Performance**

Revenues decreased in the year by €212m compared to 2023 (2023: €342.9) which was a decrease of 62%. This was largely due to the energy market stabilising after a period of significant volatility in 2022 and early 2023. This is analysed in further detail in the financial section later in the report.

# **BritNed Development Limited**

## **Strategic Report (continued)**

### **for the year ended 31 December 2024**

#### **Progress against objectives 2024**

BritNed has a range of metrics against which overall performance is measured. The key metrics in this section are aligned to our strategy and reflect a consistent set of metrics against 2023.

#### **Safety**

The safety of our employees is paramount. Each year we undertake a safety survey with our employees to gauge attitudes to safety, how effective our safety culture is and where employees believe we can improve. The score for 2024 was 82.0% which was a slight increase of 2.0% on 2023.

We also measure safety using the Lost Time Injury Frequency Rate metric. This industry standard approach measures the number of lost time injuries occurring for every 100,000 hours worked. During 2024 BritNed celebrated 5000 days without a Lost Time Injury on our operational sites. In September 2024 there was one non-operational incident which resulted in a lost time injury.

#### **Availability**

During 2024, BritNed experienced 9 unplanned outages in total, 5 bi-pole and 4 monopole. All of the issues which caused the outages have now been resolved. During the year there was only one planned maintenance period for an extended period of 6 weeks to remediate an asset defect. This led to asset availability for the year of 81.0% (96.8% in 2023).

Availability is significantly reduced due to the cable fault and longer planned outage which occurred in December 2024. In addition, BritNed provided 82,423MWh of dynamic overload capability to the market when conditions on the asset allowed.

As a measure of our reliability, there were 9 unplanned outages in 2024, broadly in line with 2023 (2023: 8)

#### **Employee Engagement**

Our employees are our most valuable asset and serve as the foremost advocates for our organisation and our objectives. They are integral to all our endeavours, making it imperative for us to remain cognizant of their perspectives on various facets of our business: their experiences working with us, our areas of excellence and areas for improvement.

In 2024, we observed an increase in our employee engagement score, which registered at 84% (2023 - 80%), compared to the previous year. The management, in collaboration with the wellbeing team at BritNed, is dedicated to continually improving our employee engagement through team and individual dialogues.

#### **Customer**

We are committed to continuously evolving and improving Empire, our trading platform for customers. 2024 saw over 130 new features added to the platform, all designed to elevate the work environment and provide even greater workflow efficiency. The 2025 product development roadmap is equally full of new releases to ensure Empire remains the market-leading energy trading platform.

In 2025 we will also undertake a more in-depth customer strategy review, including improving the segmentation of our customers to provide tailored communication, reviewing the ways that we engage with customers to increase the amount of feedback we receive, both of which will be supported via the implementation of an improved data strategy.

**BritNed Development Limited**  
**Strategic Report (continued)**  
**for the year ended 31 December 2024**

The following key performance indicators are noted:

	<b>2024</b>	<b>2023</b>	<b>Definition, method of calculation and analysis</b>
Revenue and / (Decrease) / Increase in revenue (€m / %)	€130.9 / (62)%	€342.9 / 25%	Year on year sales reduction expressed as a percentage. The year-on-year reduction in revenue has been driven by the energy market stabilising after a significant period of volatility in 2022 and early 2023.
Profit After Tax / (Decrease) / Increase in PAT (€m / %)	€55.4 / (77)%	€243.6 / 21%	Largely driven by lower revenues as a result of reduced market spreads vs 2023.
Number of unplanned outages Bipole / Monopole	5 / 4	6 / 2	There were 9 unplanned outages across the 2024 annual year. Four of these were mono-pole outages (~508MW) largely due to circuit breakers issues. There were also five bi-pole trips (~1016MW) both of which were for a short duration (hours) only.
Safety, Health, Environment & Security (SHES) Lost time injuries (LTIs)	1	nil	Number of safety incidents in one year. In 2024, there was 1 reportable non-operational incident (2023: nil)

**Strategic Review**

**Our people**

Our people are fundamental to BritNed’s success and achieving our ambitions. BritNed’s success will be built on our sustained ability to attract, retain, train, motivate and engage our people.

**Diversity, Equity and Inclusion (DEI)**

We are proud to have a diverse team reflecting many different backgrounds, nationalities, genders and cultures. We celebrate our diversity by inviting everyone to share and talk about their backgrounds and what truly matters to them in life. In 2024 the management team further reviewed how we ensure that our working environment continues to allow everyone to thrive.

**BritNed Development Limited**  
**Strategic Report (continued)**  
**for the year ended 31 December 2024**

**Wellbeing**

The mental and physical health and wellbeing of our employees is important to the success of the business. The wellbeing team with wellbeing champions from across all teams in the organisation continued to meet monthly to help raise awareness of topics, facilitate campaigns and cascade key messages across the business. Weekly check ins are carried out to monitor trends, providing valuable feedback on a range of wellbeing topics.

**Our commitment to being a responsible business**

**The environment**

We will play our part in the energy transition and reduce our own CO2 impact. We measure our scope 1 and scope 2 emissions of the six primary Kyoto greenhouse gases.

Scope 1 emissions are direct emissions owned or controlled by the Company. For BritNed, scope 1 greenhouse gas emissions for 2024 equate to 208 tonnes (2023: 408 tonnes) of carbon dioxide a 49.0% decrease which is based on SF6 leakage at our convertor stations in Grain, UK and Maasvlakte, NL.

Scope 2 emissions are indirect emissions owned or controlled by the Company. For BritNed, scope 2 emissions equate to 963 tonnes (2023: 1,162 tonnes) which is based on electrical energy use at both convertor sites and from the offices in Warwick and Arnhem.

This is a total of 1,171 tonnes (2023: 1,569 tonnes) of carbon dioxide equivalent for Scope 1 and 2 emissions.

In addition, we have measured a baseline of scope 3 emissions which are indirect emissions not covered in scope 1 or 2. For BritNed this is based on employees travel to our place of work or for work related travel to other locations either nationally or internationally. This was 18 tonnes of carbon dioxide for 2024 (2023: 17 tonnes)

In 2024 BritNed reduced emissions by 25.0% compared to 2023. This was mainly contributed by a decrease in SF6 leakage at our Converter Station on the Isle of Grain. The key driver for this reduction is an enhancement of our maintenance schedules and expedient response to SF6 leaks.

Our target is to continue to reduce our own emissions by 2.5% in 2025, a further 1.5% in 2026 (relative to 2024 emissions).

Despite achieving an absolute reduction in the tonnes of CO2 emissions since 2022, we have observed an increase relative to Total Revenue to 9.09 Tonnes of CO2 emissions per €m revenue, primarily due to a 62% revenue reduction in 2024 (2023: 4.63).

This data complies with the UK government's Streamlined Energy and Carbon Reporting (SECR) requirements.

# **BritNed Development Limited**

## **Strategic Report (continued)**

### **for the year ended 31 December 2024**

#### **Our communities**

We support our communities with the time and expertise of our people, and through a matched giving scheme. In 2024 we have made financial donations to a number of charities nominated by the team at BritNed, these include: Kent, Surrey & Sussex Air Ambulance, Motor Neurone Disease Association, MPS Society, Roald Dahl Epilepsy Specialist Nurses, The Primrose Hospice and MASKS (The Vale Federation).

Some team members volunteered in support of the Halo Centre, Redcar College, Dean Heritage Centre and the Institute of Asset Management.

#### **Future developments**

For the foreseeable future the Directors believe the Company will continue its principal activity of the operation of a sub-sea interconnector link between the electricity networks of Great Britain and the Netherlands.

#### **LionLink**

National Grid and TenneT are working together to develop an Offshore Hybrid Asset to connect offshore wind between Great Britain and the Netherlands known as LionLink. LionLink will support decarbonisation, energy independence and strengthen British, Dutch and European security of supply. Great Britain and the Netherlands power markets will gain access to additional offshore wind generation, putting downward pressure on power prices as a greater volume of close to zero short run marginal renewables feeds into both markets. The additional cross border capacity provided by LionLink will most likely have an impact BritNed's revenues from 2030 onwards.

#### **Regulatory Developments**

##### *Carbon Border Adjustment Mechanism (CBAM)*

We facilitated a revenue impact study of CBAM to better understand the impact that CBAM would have on cross border flows between the UK and connected EU Member States. We will continue our engagement with relevant stakeholders, targeting linkage of the Emissions Trading Schemes between the UK and EU.

##### *Interconnector Certification NL*

We successfully renewed our Interconnector certification in Netherlands. The new certification is valid for the next 10 years.

##### *Market Surveillance*

Post Go Live of Empire in the 2023, BritNed facilitates all the allocation and nominations of the cross-border capacity we offer to our market participants. Therefore, we have optimised our Market Surveillance activities to monitor market behaviour of Participants in line with our REMIT Persons Professionally Arranging Transactions (PPAT) responsibility.

##### *Review of Electricity Market Arrangements (UK)*

The UK Government is working towards a Review of the Electricity Markets Arrangements to facilitate the committed Net Zero targets. BritNed are closely monitoring these developments and inputting into various consultations as this framework is being defined.

##### *Trade and Cooperation Agreement (TCA)*

The Trade and Cooperation Agreement between the UK and EU on Energy includes the option to explore the possibility of the Multi-Region loose Volume Coupling (MRLVC). The Specialised Committee of Energy (SCE) tasked TSOs and NEMOs to undertake a validation study. We are involved through different working groups in the potential development of MRLVC.

# **BritNed Development Limited**

## **Strategic Report (continued)**

### **for the year ended 31 December 2024**

#### **Cyber**

BritNed continues to proactively take the measures required to protect ourselves from any physical or cyber attacks in the changing geopolitical landscape. Having already achieved NIS Basic Profile compliance, we now work towards compliance of NIS2 in the Netherlands and NIS Enhanced Profile in the UK.

#### **S172 Statement**

The Directors of the Company, as those of all UK companies, must act in accordance with section 172 of the UK Companies Act 2006.

The Board ensures that the Directors have acted both individually and collectively in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of all its members.

The Board sets the tone for monitoring and upholding the standards, values and culture of the Company to ensure that the obligations to our shareholders, stakeholders and wider society are met. The Board delegates day to day management and decision making to the Management Team. Both the Board and the Management Team comprise an equal mix of personnel from the parent companies. Each year a review of the Company's strategy and business plan for the following three years is undertaken by the Management Team for challenge, review and approval by the Board. This plan includes the medium to long-term direction for the Company taking account of the internal and external environment, as well as setting the performance targets for the three years ahead. Once approved by the Board, this plan underpins the day-to-day operation of the business actively managed through embedded governance structures. Outside of the formal Board meetings the Directors maintain oversight of the Company's performance through the receipt of monthly performance reports to ensure management is acting in accordance with the strategy and plans agreed by the Board, and its delegated authorities.

The Board operates a forward agenda of standing items appropriate to the Company's operating reporting cycles and commensurate with the operational challenges facing the business. Items requiring approval by the Board are clearly defined within the Joint Venture Agreement.

Engaging with stakeholders to deliver long-term success is achieved by:

#### *Engaging with our employees*

The wellbeing and safety of our employees from the parent companies is a primary consideration in how we do business. To do this we ensure the Company has one set of values to inform and guide behaviour so we can achieve the goals of the Company in the right way. A focus on people has been included in the Company performance framework and will be actively managed / reported as a result. All team members within BritNed are involved in the periodic refresh of those values.

#### *Business Relationships*

The Board members regularly promote the benefits of interconnection within industry and government. As an example, members recently collaborated with the Transmission System Operators of the North Sea countries to form a joint view of the future of offshore grids and presented the findings to the countries' Energy Ministers.

**BritNed Development Limited**  
**Strategic Report (continued)**  
**for the year ended 31 December 2024**

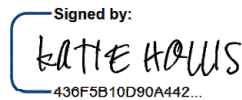
*Shareholders*

The Directors also understand the importance of the need to act fairly between the shareholders of the Company with fair representation from each parent company.

The Directors are of the opinion that the remaining details of how they meet their duty is in line with those reflected by the Directors of National Grid plc in their Annual Report. Please refer to pages 22-24 of the National Grid plc Annual Report and Accounts (available at: [www.nationalgrid.com/investors](http://www.nationalgrid.com/investors)) for more information on how the Group Directors meet their duty.

This data complies with the UK government's Streamlined Energy and Carbon Reporting (SECR) requirements.

The Strategic Report was approved by the Board and signed by its order by

Signed by:  
  
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**Katie Hollis**  
Company Secretary  
4 July 2025

## **BritNed Development Limited**

### **Directors' Report for the year ended 31 December 2024**

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2024.

#### **Future developments**

Details of future developments have been included within the Strategic Report on page 7.

#### **Dividends**

The Directors approved and paid dividends of €62.6 (2023: €284.5m) during the year.

#### **Financial risk management**

The management of the Company and the execution of the Company's strategy are subject to a number of risks. The Directors have identified the need to manage the Company's material financial risks, including liquidity, credit and foreign exchange risks.

#### **Liquidity risk**

The Company finances its operations through a combination of retained profits and cash generated by the business to ensure that the Company has sufficient funds available for current operations and future activities.

#### **Credit risk**

Credit risk is defined as the risk that a counterparty will not meet its obligations, leading to a financial loss for the Company. The credit risk on trade receivables is very limited as all material credit risks are secured by means of Letters of Credit or cash deposits in business accounts.

#### **Foreign exchange risk**

To the extent that the Company enters into transactions in currencies different to that of the Company's functional currency, there is an exposure to movement in exchange rates. The Company does not participate in economic hedging but does perform currency swaps with National Grid Holdings One plc, an entity wholly owned by National Grid plc (referred to as National Grid).

#### **Directors**

The Directors of the Company during the year and up to the date of signing of the financial statements were:

Jan-Paul Dijckmans  
Thorsten Dietz (Resigned 1<sup>st</sup> January 2025)  
Rebecca Sedler  
Clara Semal  
Richard Gort (Appointed 1<sup>st</sup> January 2025)

## **BritNed Development Limited**

### **Directors' Report (continued) for the year ended 31 December 2024**

#### **Directors' indemnities and insurance**

National Grid has arranged, in accordance with the Companies Act 2006 and the Articles of Association, qualifying third party indemnities against financial exposure that National Grid Directors may incur in the course of their professional duties. Alongside these indemnities, National Grid places Directors' and Officers' liability insurance for each National Grid Director.

Qualifying third party indemnity was in force during the financial year and at the date of approval of the financial statements.

TenneT's Directors & Officers (D&O) policy contains a so-called Outside Directorship Liability (ODL) coverage. The ODL is applicable for persons which are explicitly appointed by TenneT as a director/officer of 'outside' entities, such as BritNed. This ODL cover shall be excess of any indemnification provided by the 'outside' entity and any valid and collectible D&O insurance where such payment is made in respect of the 'outside' entity.

#### **Statement of Directors' responsibilities in respect of the financial statements**

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 the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 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 Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate 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.

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.

## **BritNed Development Limited**

### **Directors' Report (continued) for the year ended 31 December 2024**

#### **Directors' confirmations**

In the case of each Director in office at the date the Directors' report is approved:

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

#### **Going concern**

The Directors of BritNed are not aware of any material uncertainties related to events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Modern Slavery Act**

In accordance with The Modern Slavery Act 2015, the Company has adopted and approved the Statement on the prevention of slavery and human trafficking. A copy of the Statement is available on the Company's website.

#### **Statement on engagement with suppliers, customers and others in a business relationship with the company**

Details of stakeholder engagement have been included within the Strategic Report on page 4.

#### **Independent Auditors**


During the year, the Board of BritNed Development Limited appointed PricewaterhouseCoopers LLP as its auditors who are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

#### **Limited Liability Agreement**

The directors have agreed with the company's auditors that the auditor's liability to damages for breach of duty in relation to the audit of the company's financial statements for the year to 31 December 2024 should be limited to the greater of £5 million or 5 times the auditor's fees, and that in any event the auditor's liability for damages should be limited to that part of any loss suffered by the company as is just and equitable having regard to the extent to which the auditor, the company and any third parties are responsible for the loss in question. The shareholders approved this limited liability agreement, as required by the Companies Act 2006, by a resolution dated April 2024.

The Directors' Report was approved by the Board and signed by its order by:

**Katie Hollis**  
Company Secretary

Signed by:  
  
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Date: 04-Jul-25

**Registered office:**  
1-3 Strand  
London  
WC2N 5EH  
Registered in England and Wales  
Company registration number: 04251409

# Report on the audit of the financial statements

## **Opinion**

In our opinion, BritNed Development Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit and cash flows 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.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Balance Sheet as at 31 December 2024; Income Statement, Statement of changes in equity and Cash flow statement for the year then ended; and the notes to the financial statements, comprising material accounting policy information and 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**

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

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

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

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

## **Reporting on other information**

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

## **BritNed Development Limited**

### **Independent auditors' report to the members of BritNed Development Limited (continued)**

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

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

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

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

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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

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

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

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

##### **Auditors' responsibilities for the audit of the financial statements**

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

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

## **BritNed Development Limited**

### **Independent auditors' report to the members of BritNed Development Limited (continued)**

respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the industry regulators in the UK and the Netherlands, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and applicable tax legislation in the UK and the Netherlands. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of journal entries to improve revenue performance and profits, and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Evaluation of management's controls designed to prevent and detect irregularities in financial reporting;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations which result in an increase to revenue;
- Challenging estimates and judgements made by management, in particular in relation to the assessment of decommissioning obligations, the useful economic lives of property, plant and equipment and the capped return on investment;
- Considerations of the policies of revenue recognition and obtaining supporting evidence to ensure compliance with those policies and fulfilment of obligations before revenue is recognised;
- Review of meeting minutes with the board and those charged with governance;
- Discussions with management and those charged with governance, including consideration of known or suspected instances or non-compliance with laws and regulation and fraud.

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

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

#### **Use of this report**

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

**BritNed Development Limited**

**Independent auditors' report to the members of BritNed Development Limited  
(continued)**

## Other required reporting

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

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

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

We have no exceptions to report arising from this responsibility.



Mark Kingsbury (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
8 July 2025

**BritNed Development Limited**

**Income statement**  
**for the year ended 31 December 2024**

	Note	2024 (€m)	2023 (€m)
Revenue	4	130.9	342.9
Administrative expenses	5	(53.4)	(41.4)
Other income	4	-	21.9
<b>Operating profit</b>		<b>77.5</b>	323.4
Finance expenses	5.3	(2.7)	(2.6)
Finance income	5.3	0.6	0.4
<b>Profit before income tax</b>		<b>75.4</b>	321.2
Income tax expense	6	(20.0)	(77.6)
<b>Profit for the year</b>		<b>55.4</b>	243.6

The results reported above relate to continuing activities.

There is no other comprehensive income for the financial years. Accordingly, no separate statement of comprehensive income is presented.

The notes on pages 21 to 39 form part of these financial statements.

## BritNed Development Limited

### Balance Sheet as at 31 December 2024

	Note	2024 (€m)	2023 (€m)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	385.0	406.6
Right of use assets	14	35.1	34.1
Intangible assets	8	9.4	5.2
		<b>429.5</b>	<b>445.9</b>
<b>Current assets</b>			
Trade and other receivables	9	18.3	18.9
Cash and cash equivalents		76.4	61.4
Cash collateral held for trade receivables	17	40.7	37.7
		<b>135.4</b>	<b>118.0</b>
<b>Total assets</b>		<b>564.9</b>	<b>563.9</b>
<b>Equity and liabilities</b>			
<b>Non-current liabilities</b>			
Other non-current liabilities	11	1.4	1.5
Lease liabilities	14	38.3	36.8
Provisions	16	47.9	53.1
Deferred tax liabilities	12	7.4	7.6
		<b>95.0</b>	<b>99.0</b>
<b>Current liabilities</b>			
Trade and other payables	10	21.5	12.0
Current tax liabilities	10	-	0.5
Liabilities for cash collateral	17	40.7	37.7
Lease liabilities	14	0.6	0.4
		<b>62.8</b>	<b>50.6</b>
<b>Total liabilities</b>		<b>157.8</b>	<b>149.6</b>
<b>Equity</b>			
Share capital	13	113.8	113.8
Retained earnings	13	293.3	300.5
<b>Total equity</b>		<b>407.1</b>	<b>414.3</b>
<b>Total equity and liabilities</b>		<b>564.9</b>	<b>563.9</b>

The notes on pages 21 to 39 form part of these financial statements.

The financial statements on pages 17 to 39 were approved by the Board of Directors on 1<sup>st</sup> July 2025 and signed on its behalf by:

Signed by:  
  
 2B299B69815742C...  
 Jan-Paul Dijkmans

Director BritNed Development Limited  
 06-Jul-25

Signed by:  
  
 67CF73113B24412...  
 Rebecca Sedler

Managing Director  
 04-Jul-25

## BritNed Development Limited

### Statement of changes in equity for the year ended 31 December 2024

		2024 (€m)			2023 (€m)		
	Note	Share capital	Retained earnings	Total Equity	Share capital	Retained earnings	Total Equity
Balance as at 1 January	13	113.8	300.5	414.3	113.8	341.4	455.2
Profit for the year		-	55.4	55.4	-	243.6	243.6
Dividends	13	-	(62.6)	(62.6)	-	(284.5)	(284.5)
<b>Balance as at 31 December</b>		<b>113.8</b>	<b>293.3</b>	<b>407.1</b>	<b>113.8</b>	<b>300.5</b>	<b>414.3</b>

The notes on pages 21 to 39 form part of these financial statements.

## BritNed Development Limited

### Cash flow statement for the year ended 31 December 2024

	Note(s)	2024 (€m)	2023 (€m)
<b>Cash flows from operating activities</b>			
Profit before tax		75.4	321.2
<i>Adjustment for:</i>			
Depreciation and amortisation of assets	7,8,14	18.7	18.3
Loss from writing off fixed asset		0.6	-
Loss from Reassessment of Right-of-use Asset		-	0.1
Interest expense	5	2.7	2.6
<i>Changes in working capital:</i>			
Decrease in trade and other receivables	9	0.6	4.4
Increase/(Decrease) in trade and other payables	10, 11	9.4	(53.1)
Cash generated from operations		107.4	293.5
Tax paid		(20.8)	(81.2)
<b>Net cash generated from operating activities</b>		<b>86.6</b>	212.3
<b>Cash flows from investment activities</b>			
Purchase of tangible and intangible fixed assets	7,8	(7.8)	(4.8)
<b>Net cash flows used in investing activities</b>		<b>(7.8)</b>	(4.8)
<b>Cash flows from finance activities</b>			
Dividends paid to equity holders of the company	13	(62.6)	(284.5)
Cash payments for the principal portion of the lease liability	14	(1.2)	(1.3)
<b>Net cash flows used in financing activities</b>		<b>(63.8)</b>	(285.8)
<b>Net increase/decrease in cash and cash equivalents</b>		<b>15.0</b>	(78.3)
Cash and cash equivalents at beginning of year		61.4	139.7
<b>Cash and cash equivalents at end of year</b>		<b>76.4</b>	61.4

The notes on pages 21 to 39 form part of these financial statements. Cash and cash equivalents are cash on hand and on demand deposits.

## **BritNed Development Limited**

### **Notes to the financial statements for the year ended 31 December 2024**

#### **1 Accounting policies**

##### **(a) Basis of preparation**

These financial statements have been prepared on the going concern basis in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. They have been prepared on a historical cost basis and are presented in Euros and rounded to the nearest million with 1 decimal point, except when otherwise indicated. The Euro is the currency of the primary economic environment in which the Company operates. Accounting policies have been applied consistently.

The preparation of financial statements requires management to make accounting 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 a private company, limited by shares, domiciled, and incorporated in the UK and registered in England and Wales. The address of the registered office is:

1-3 Strand  
London  
WC2N 5EH

##### **(b) Going concern**

The going concern basis presumes that the Company has adequate resources to remain in operation and that the Directors intend it to do so. Whilst the economic and geo-political situation in Europe create uncertainty, the Company continues to perform well and the Directors confirm that to the best of their knowledge, the Company has adequate resources to remain in operation and consequently the financial statements have been prepared on a going concern basis.

The Company meets its day-to-day working capital requirements through its bank facilities and the Company's forecasts and projection. Taking account of reasonable possible changes in trading performance including severe but plausible downside, the Company should be able to operate within the level of its current facilities. The Directors review the Cash flow forecast regularly which is prepared for Dividend distribution purposes and take immediate action to mitigate possible liquidity risks.

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 1 Accounting policies (continued)

##### (c) Revenue recognition

Revenue comprises the value of interconnector capacity sold excluding value added tax and other sales taxes. It largely comprises explicit revenue net of curtailment amounts and implicit revenues net of use it or sell it compensations. Implicit revenue is also shown as the net of sales and purchases of energy as the Company is deemed to be acting as an agent rather than principal. Other revenue reflects the value of the frequency response service, participation in the GB Capacity Market and other minor ancillary services such as Intertrip services excluding value added tax and other sales taxes.

BritNed provides capacity to flow electricity capacity between the Netherlands and the UK. This is a distinct service and the customer benefits from the capacity provided, allowing flows between the UK and the Netherlands. No other service or goods are provided with the capacity. The price is set through an auction and sold per MWH, therefore there is no variable consideration, and no adjustment would be made to the price sold through the auction.

##### *Multi Day Products*

Explicit Auction Revenue is recognised for annual/quarterly/monthly/multi-day/weekend auctions for the period when the capacity is delivered.

##### *Day Ahead Products*

Explicit Auction Revenue includes the day ahead revenue and is recognised on the day it is sold for delivery.

##### *Intraday Products*

Explicit Auction Revenue is also sold for intraday products which is also recognised on the day it is sold for delivery.

##### *Capacity Mechanism*

The Capacity Mechanism is a yearly agreement that BritNed enters into, to provide capacity in any stress event during that year. The revenue from this agreement is recognised through the annual delivery period to which it relates.

##### (d) Property, plant and equipment and depreciation

Property, plant and equipment are included in the balance sheet at cost less accumulated depreciation. Cost includes payroll and other costs incurred which are directly attributable to the construction of tangible fixed assets including an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

No depreciation is provided on assets in the course of construction. Property, plant and equipment are depreciated on a straight-line basis at the rate estimated to write off the book value over the estimated useful economic life, which is reviewed on a regular basis. Estimated useful economic lives are between 15 and 40 years for plant and machinery, 3 years for fixtures and fittings and 40 years for freehold property.

##### (e) Intangible fixed assets and amortisation

Intangible assets are included in the balance sheet at cost less accumulated amortisation. Intangible assets include software and work in progress expenditure, with the latter being held here until the project it relates to is considered ready for use.

Software consists of capitalised development expenditure being an internally generated intangible asset. Development expenditure is recognised as an intangible fixed asset where the project is considered to be technically and commercially viable, resources exist to complete the development and the recovery of project costs is reasonably assured. Such development

**BritNed Development Limited****Notes to the financial statements (continued)  
for the year ended 31 December 2024****1 Accounting policies (continued)****Intangible fixed assets and amortisation (continued)**

expenditure is amortised on a straight-line basis over the expected period of benefit commencing from when the development is brought into use. The amortisation period for development assets is 7 years.

Work in Progress includes costs deriving from projects which are not considered completed until the reporting date and are held in intangible assets without being amortised.

**(f) Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to ensure the Company continues to operate with no debt.

The Company manages cash as capital and can adjust the capital structure by adjusting the amount of dividends paid to shareholders.

The Company monitors capital on the basis of retained cash. During the year the Company's strategy is to maintain a consistent level of cash to meet its obligations. This strategy has remained unchanged from prior years.

**(g) Collateral**

Cash and cash equivalents include cash deposits held at call with banks.

In the balance sheet, cash collateral held by BritNed for trade receivable purposes is shown within other amounts receivable in current assets and the same amount is shown within other liabilities as Liabilities for cash collaterals in current liabilities.

With consideration of the contractual restrictions and that BritNed does not utilise these deposit balances for liquidity purposes, it has been determined to present these deposits as a separate line on the balance sheet, facilitating a better understanding of BritNed's financial position. This approach is consistent with the TenneT Group Accounting Manual.

**(h) Foreign currencies**

Transactions in currencies other than the functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign exchange currencies are retranslated at closing exchange rates. Gains and losses arising on retranslation of monetary assets and liabilities are included in the income statement.

**(i) European Union Grant Funding**

The Company received project funding from the European Union during the construction phase of the interconnector. European Union grant funding that relates to specific capital expenditure is treated as deferred income which is then credited to the income statement over the useful life of the interconnector.

**(j) Provisions**

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

**BritNed Development Limited****Notes to the financial statements (continued)  
for the year ended 31 December 2024****1 Accounting policies (continued)****a. Decommissioning**

Provision for decommissioning costs is based on the estimated costs of dismantling and removing a fixed asset and restoring the site on which it is located. For the computation of the decommissioning present cost, liabilities and provision, the expected inflation to the time of actual decommissioning the asset and a discount rate have been considered. The provision is recognised at a present value of these costs are discounted, given the time horizon of the useful life of the asset. In addition, unwinding of discount is presented as finance costs.

**(k) Taxation**

Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amounts are those that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided for using the balance sheet liability method and is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised on all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction (other than a business combination) that affects neither the accounting nor the taxable profit or loss.

Deferred tax 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 reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 1 Accounting policies (continued)

##### (l) Leases

###### a. The company's leasing activities and how these are accounted for

The company leases the land on which the interconnector cable is situated, its administrative offices, and vehicles.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date which the leased asset is available for use by the group.

Assets and liabilities arising from the lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments
- Variable lease payments that are based on an index or a rate, initially measured using the rate as at the commencement date

Lease payments to be made under extension options are also included in the measurement of the liability as mentioned in the table above.

The lease payments are discounted using the company's incremental borrowing rate. This has been based on the average cost of debt from both parent companies.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost based on the amount of the initial measurement of the lease liability.

Right-of-use assets are depreciated over the asset's useful life.

Payments associated with short-term leases are recognised as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

##### (m) New and amended standards adopted by the company

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

- IFRS 17 Insurance Contracts; •
  - Definition of Accounting Estimates – amendments to IAS 8.
  - International Tax Reform – Pillar Two Model Rules – amendments to IAS 12.
  - Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12.
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**BritNed Development Limited**

**Notes to the financial statements (continued)  
for the year ended 31 December 2024**

**1 Accounting policies (continued)**

**(n) New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the company. None of these are expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 2 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

##### a) Critical judgements

###### Capped return on investment

The Company is subject to a capped return on its investment in the interconnector asset in relation to the exemption from article 6(6) of the EC regulation 1228/2003.

In 2021, after 10 years of operation BritNed submitted a financial report, providing the National Regulatory Authorities (NRAs) with a forecast of the company's return on investment. The NRAs concluded that profits are below the capped level and will not exceed the maximum allowed return in the future.

In 2024, a further review of the investment returns was conducted considering recent changes in market conditions, and to reflect future forecasts. In conclusion it was determined that at this time, as no present obligation exists and there is no certainty surrounding a future obligation, no adjustments have been made.

This judgemental area will continue to be reviewed and updated annually.

##### b) Key accounting estimates

###### Useful economic life

Depreciation is calculated using the straight-line depreciation method to allocate costs to the assets' residual values over their estimated useful lives. The depreciation of the cable is calculated over a 40-year useful economic life.

Depreciation of Right-of-use assets is calculated based on the most realistic point at which the lease may end. This can be the end of the life of the longest depreciating asset (the cable over 40 years to 2051) or a different date the business is expected to exist until. Considering the above factors, the following lease end dates have been considered as the end of useful economic lives with the commencement date on 01/01/2019:

<u>Lease</u>	<u>Proposed end date for IFRS16</u>
Land at Maas	2051 (in line with end cable depreciation period)
Land at Isle of Grain	2055 (first possible break after end of cable depreciation period)
Rent & Services MCE Building	2051 (in line with end cable depreciation period)
Isle of Grain car	2023 (end of the fixed term contract)

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any changes is accounted for prospectively.

Note that the Isle of Grain car has now been fully depreciated, with the final cost being accounted for in 2023.

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 2 Critical accounting judgements and estimation uncertainty (continued)

##### b) Key accounting estimates (continued)

###### Decommissioning Provision

BritNed reviews the decommissioning provision on an annual basis. In fiscal year 2024, the discount rate was revised from 0.5% to 1.0%, resulting in a €7.1m adjustment to the decommissioning provision. This change was recognized in accordance with IFRIC 1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities', with a corresponding adjustment to the related decommissioning asset.

The decommissioning provision as at 31 December 2024 is €47.9m and the asset amount is €34.9m which will be depreciated over the remaining useful life of the assets. The remaining expected cable lifespan is 28 years i.e. until the decommissioning obligations are expected to crystallise (see note below). The provision includes all the associated costs relating to any obligation of the company to decommission the physical assets present in the future.

This cost is being discounted using a risk-free rate of 1.0% and the long-term expected RPI which is used for the calculation of the provision value is 3.0%.

If the pre-tax discount rate applied to the cash flow projections in the calculation of the decommissioning provision had been 1.0% higher than management's estimates (2.0% instead of 1.0%) considering 2021 as a base year, the provision would be reduced by €11.5m.

If the long term RPI applied to the cash flow projection in the calculation of the decommissioning provision had been 1.0% higher than management's estimates (4.0% instead of 3.0%) considering 2021 as a base year, the provision would increase by €1.4m.

#### 3 Directors and employees

The emoluments of the Directors are not paid to them in their capacity as Directors of the Company and are payable for services wholly attributable to other National Grid or TenneT group undertakings. Accordingly, no details in respect of their emoluments have been included in these financial statements.

There were no employees of the Company during the year (2023: none).

#### 4 Revenue and other income

	2024 (€m)	2023 (€m)
Net explicit revenue	115.5	335.6
Other revenue	15.4	7.3
<b>Total Revenue</b>	<b>130.9</b>	<b>342.9</b>
Other income	-	21.9
<b>Total Other income</b>	<b>-</b>	<b>21.9</b>

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 4. Revenue and other income (Continued)

Other revenue resulted mainly from the revenue deriving from capacity market mechanism.

Other income was €21.9m in 2023 and it consists of the insurance proceeds received in 2023 as the final compensation on the claims submitted to the insurers (National Grid Insurance Company (Isle of Man) Limited) to recover costs for the cable repairs as a result of the two cable faults which commenced on 8 December 2020 and on 9 March 2021 respectively. There was no such income in 2024.

#### 5 Administrative expenses

##### 5.1 Expenses by nature

Administrative expenses can be broken down as follows:

	Note	2024 (€m)	2023 (€m)
Depreciation – Decommissioning provision	7, 16	1.3	1.6
Depreciation	7	15.6	15.5
Amortisation	8	0.6	0.1
Personnel costs		7.4	6.1
General rates and taxes		1.1	1.2
Foreign exchange gains		(0.1)	-
Insurance		12.0	11.4
Depreciation - IFRS16	14	1.2	1.1
Loss from write off asset		0.6	-
Other costs		13.7	4.4
<b>Total Administrative Expenses</b>		<b>53.4</b>	41.4

Personnel costs relate to recharges from the parent companies for the services provided through the personnel seconded to the company as there are no employees in the company.

Other Costs incurred largely relate to maintenance costs at our operational sites in the Isle of Grain and Maasvlakte.

##### 5.2 Auditors' remuneration

During the year the Company obtained the following services from the independent auditors:

	2024 (€'000)	2023 (€'000)
Audit of the financial statements	87.5	74.5
Non-audit services - tax compliance	15.3	8.5
<b>Total auditors' remuneration</b>	<b>102.8</b>	83.0

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 5.3 Finance Income and Expenses

	2024 (€m)	2023 (€m)
Interest paid/payable for lease liabilities	(0.8)	(0.8)
Interest paid/payable for decommissioning provision	(1.9)	(1.8)
Interest receivable and similar income	0.6	0.4
<b>Net finance expense</b>	<b>(2.1)</b>	<b>(2.2)</b>

#### 6 Income Tax Expense

	2024 (€m)	2023 (€m)
<b>Current tax:</b>		
UK corporation tax	10.0	38.6
UK corporation tax adjustment in respect of prior years	0.7	1.4
Overseas corporation tax	9.5	41.0
<b>Total current tax</b>	<b>20.2</b>	<b>81.0</b>
<b>Deferred tax:</b>		
UK deferred tax	(0.3)	(2.5)
UK deferred tax adjustment in respect of prior years	0.1	(0.9)
<b>Total deferred tax (note 12)</b>	<b>(0.2)</b>	<b>(3.4)</b>
<b>Total Tax charge</b>	<b>20.0</b>	<b>77.6</b>

The tax charge for the year is higher (2023: higher) than the standard rate of corporation tax in the UK for the year of 25% (2023: 23.5%).

	2024 (€m)	2023 (€m)
Profit before income tax	75.4	321.2
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 25% for 2024 (2023: 23.5%)	18.9	75.5
Effect of:		
Permanent items	0.7	0.6
Impact of change in UK tax rate	-	(0.2)
Unrelieved foreign tax	(0.3)	1.2
Adjustments in respect of prior years	0.7	0.5
<b>Total tax charge for the year</b>	<b>20.0</b>	<b>77.6</b>

## **BritNed Development Limited**

### **Notes to the financial statements (continued) for the year ended 31 December 2024**

The UK corporation tax rate is 25% for the 2024 fiscal year. Legislation to increase the UK corporation tax rate to 25% from 1 April 2023 has been substantively enacted. The calculation of the income tax was based on the blended rate of 23.5% according to the active UK corporation tax rate during 2023 (19% for Q1 2023 and 25% for Q2-Q4 2023).

The closing deferred tax balance has been calculated using the 25% tax rate in 2024 (2023:25%).

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 7 Property, plant and equipment

	Freehold property	Plant and Machinery	Fixtures and fittings	Total
	(€m)	(€m)	(€m)	(€m)
<b>Cost</b>				
At 1 January 2024	74.6	527.8	0.2	602.6
Transfers from Intangible Assets	-	1.6	-	1.6
Additions	-	1.4	-	1.4
Disposals	-	(1.2)	-	(1.2)
Decommissioning - Remeasurement Adjustment	-	(7.1)	-	(7.1)
<b>At 31 December 2024</b>	<b>74.6</b>	<b>522.5</b>	<b>0.2</b>	<b>597.3</b>
<b>Accumulated Depreciation</b>				
At 1 January 2024	23.6	172.3	0.1	196.0
Depreciation for the year	1.8	15.1	-	16.9
Disposals	-	(0.6)	-	(0.6)
<b>At 31 December 2024</b>	<b>25.4</b>	<b>186.8</b>	<b>0.1</b>	<b>212.3</b>
<b>Net Book value:</b>				
At 31 December 2023	51.0	355.5	0.1	406.6
<b>At 31 December 2024</b>	<b>49.2</b>	<b>335.7</b>	<b>0.1</b>	<b>385.0</b>

#### 8 Intangible assets

	Software (€m)	Work in Progress (€m)	Total (€m)
<b>Cost:</b>			
At 1 January 2024	7.9	2.0	9.9
Additions	-	6.4	6.4
Transfers from Work in Progress	1.9	-	1.9
Transfers to Software	-	(1.9)	(1.9)
Transfers to Property, plant and equipment	-	(1.6)	(1.6)
<b>At 31 December 2024</b>	<b>9.8</b>	<b>4.90</b>	<b>14.7</b>
<b>Accumulated Amortisation</b>			
At 1 January 2024	4.7	-	4.7
Amortisation for the year	0.6	-	0.6
<b>At 31 December 2024</b>	<b>5.3</b>	<b>-</b>	<b>5.3</b>
<b>Net Book value:</b>			
At 31 December 2023	3.2	2.0	5.2
<b>At 31 December 2024</b>	<b>4.5</b>	<b>4.9</b>	<b>9.4</b>

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 9 Trade and other receivables

Trade and other receivables can be broken down as follows:

	2024 (€m)	2023 (€m)
Trade receivables	0.3	0.1
Amounts owed by group undertakings	7.1	7.3
Other amounts receivable	2.7	2.5
Prepayments and accrued income	8.2	9.0
<b>Total</b>	<b>18.3</b>	<b>18.9</b>

Amounts owed by group undertakings are unsecured, interest free and due on demand.

Included within Prepayments and accrued income is €4.3m (2023: €5.0m) of contract assets relating to services delivered in the year.

#### 10 Trade and other payables

Trade and other payables can be broken down as follows:

	2024 (€m)	2023 (€m)
Trade payables	1.6	2.4
Amounts owed to group undertakings	1.8	1.9
Corporation tax payable	-	0.5
Other taxes payable	(0.2)	(1.0)
Accruals and deferred income	18.3	8.7
<b>Total</b>	<b>21.5</b>	<b>12.5</b>

Amounts owed to group undertakings are unsecured, interest free and due on demand.

Included within Accruals and deferred income is €6.4m (2023: €6.3m) of contract liabilities relating to services to be delivered in the next financial year.

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 11 Other non-current liabilities

	2024 (€m)	2023 (€m)
Deferred grant income	1.4	1.5
<b>Total</b>	<b>1.4</b>	<b>1.5</b>

The Company received project funding from the European Union during the construction phase of the interconnector. European Union grant funding that relates to specific capital expenditure is treated as deferred income which is then credited to the income statement over the useful life of the interconnector.

#### 12 Deferred tax liabilities

	Accelerated tax depreciation 2024 (€m)	Accelerated tax depreciation 2023 (€m)
<b>Deferred tax liabilities</b>		
Deferred tax liabilities at 1 January	7.6	11.0
Credited to income statement	(0.2)	(3.4)
<b>At 31 December</b>	<b>7.4</b>	<b>7.6</b>

#### 13 Equity attributable to owners of the Company

	2024 (€m)	2023 (€m)
<b>Called up and fully paid</b>		
1 (2023: 1) "A" share of £1	-	-
1 (2023: 1) "B" share of £1	-	-
284,500,000 (2023: 284,500,000) "C" shares of 0.2 euro each	56.9	56.9
284,500,000 (2023: 284,500,000) "D" shares of 0.2 euro each	56.9	56.9
	113.8	113.8
<b>Retained earnings</b>		
Reserves	237.9	56.9
Profit for the year	55.4	243.6
	293.3	300.5
	407.1	414.3

The A and B shares are equity shares and rank pari passu in all respects. The C and D shares are also equity shares and rank pari passu in all respects.

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 13 Equity attributable to owners of the Company (continued)

##### Dividend distribution

In 2024, the Company distributed a €62.6 million common dividend (€0.11 per share) to its ordinary shareholders.

	2024	2023
Dividend (€m)	62.6	284.5
Dividend Per Share (€)	0.11	0.50

#### 14 Lease commitments

##### a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	as at 31/12/24	as at 31/12/23
<b>Right-of-use assets</b>	<b>(€m)</b>	<b>(€m)</b>
Buildings	35.1	34.1
<b>Total</b>	<b>35.1</b>	<b>34.1</b>
<b>Lease Liabilities</b>		
Current	0.6	0.4
Non-current	38.3	36.8
<b>Total</b>	<b>38.9</b>	<b>37.2</b>

##### b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts related to leases:

	2024	2023
<b>Depreciation charge of right of use assets</b>	<b>(€m)</b>	<b>(€m)</b>
Buildings	1.2	1.1
<b>Total</b>	<b>1.2</b>	<b>1.1</b>
Interest cost (on lease liabilities)	0.8	0.8

The total cash outflow for leases in 2024 was €2.2m (2023: €2.1m).

##### c) Maturity Analysis – contractual undiscounted cash flows

	2024	2023
<b>Maturity analysis - contractual undiscounted cash flows</b>	<b>(€m)</b>	<b>(€m)</b>
Less than 1 year	1.2	1.2
One to five years	6.6	6.4
More than 5 years	45.7	47.1
<b>Total</b>	<b>53.5</b>	<b>54.7</b>

In 2024 the contractual undiscounted cash flow for more than 5 years for Lease on Land at Isle of Grain is calculated until 2055 which is the proposed end date as mentioned in p.26.

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 15 Financial assets and financial liabilities

Financial assets at amortised cost	2024 (€m)	2023 (€m)
Trade and other receivables excluding prepayments	14.4	14.9
Cash and cash equivalents	76.4	61.4
Cash Collateral held for trade receivables	40.7	37.7
<b>Total</b>	<b>131.5</b>	114.0

Liabilities at amortised cost	2024 (€m)	2023 (€m)
Trade and other payables excluding non-financial liabilities	15.3	6.7
Discounted future lease payments	38.9	37.2
Liabilities for Cash Collateral	40.7	37.7
<b>Total</b>	<b>94.9</b>	81.6

a) Trade and other receivables

Trade receivables and other receivables are amounts due from customers for services performed in the normal course of business including accrued income. Amounts of prior years have been adjusted accordingly to include accrued income and display the respective amounts.

Due to the short-term nature of the trade receivables, their carrying amount is assumed to be the same as their fair value.

Information about the exposure to credit risk, foreign exchange risk and liquidity risk can be found in the Directors' Report on page 10.

b) Trade and other payables

Trade payables are unsecured, interest free and due on demand including accrued expenses. Amounts of prior years have been adjusted accordingly to include accrued expenses and display the respective amounts.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

c) Lease liabilities

After the implementation of IFRS 16 as from 1<sup>st</sup> January 2019, the company recognises current and non-current Lease liabilities which reflect discounted future lease payments.

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 16 Provision

##### a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to decommissioning provision:

<b>Balance Sheet</b>	<b>2024</b>	<b>2023</b>
<b>Decommissioning - Liability</b>	<b>(€m)</b>	<b>(€m)</b>
Carrying amount as at 1 January	53.1	51.3
Interest on the provision	1.9	1.8
Remeasurement Adjustment	(7.1)	-
Carrying amount as at 31 December	47.9	53.1

BritNed has amended the decommissioning estimate for year-end 31 December 2024. In fiscal year 2024, the discount rate was revised from 0.5% to 1.0%, resulting in a €7.1m adjustment to the decommissioning provision. This change was recognized in accordance with IFRIC 1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities', with a corresponding adjustment to the related decommissioning asset.

The decommissioning provision as at 31 December 2024 is €47.9m and the asset amount is €34.9m which will be depreciated over the remaining useful life of the assets. The remaining expected cable lifespan is 28 years i.e. until the decommissioning obligations are expected to crystallise. The provision includes all the associated costs relating to any obligation of the company to decommission the physical assets present in the future.

This cost is being discounted using a risk-free rate of 1.0% and the long-term expected RPI which is used for the calculation of the provision value is 3.0%.

If the pre-tax discount rate applied to the cash flow projections in the calculation of the decommissioning provision had been 1.0% higher than management's estimates (2.0% instead of 1.0%) considering 2021 as a base year, the provision would be reduced by €11.5m.

If the long term RPI applied to the cash flow projection in the calculation of the decommissioning provision had been 1.0% higher than management's estimates (4.0% instead of 3.0%) considering 2021 as a base year, the provision would increase by €1.4m.

##### b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts related to decommissioning provision:

<b>Profit or Loss</b>	<b>2024</b>	<b>2023</b>
<b>Depreciation charge of Asset</b>	<b>(€m)</b>	<b>(€m)</b>
Decommissioning – Asset	1.3	1.6
	<b>1.3</b>	<b>1.6</b>

<b>Finance cost - Interest Expense</b>	<b>2024</b>	<b>2023</b>
<b>Decommissioning – Liability</b>	<b>(€m)</b>	<b>(€m)</b>
Decommissioning – Liability	1.9	1.8
	<b>1.9</b>	<b>1.8</b>

## BritNed Development Limited

### Notes to the financial statements (continued) for the year ended 31 December 2024

#### 17 Cash Collaterals

In 2024, the Company recognised the collaterals provided by customers in form of bank deposit in the balance sheet as Cash collaterals held for the trade receivable in current assets and the same amount as Liabilities for Cash collateral in the current Liabilities. These accounts offset each other, and the figures are reported in separate lines on the balance sheet for transparency purposes.

#### 18 Related parties

The Company has the following related parties:

##### *Parent Companies*

During the year, the Company was a joint venture between National Grid Interconnector Holdings Limited and NLink International B.V. with each party holding 50% of the issued share capital.

The ultimate parent undertaking of National Grid Interconnector Holdings Limited is National Grid plc which is incorporated in England and Wales, and the ultimate parent undertaking of NLink International B.V. is TenneT Holding B.V. which is incorporated in the Netherlands.

Balances with related parties at 31 December 2024, together with the aggregate recharge made to and from related parties during the year are shown in the table below.

	Recharged in the year to 31/12/24	Included within Creditor balance at the year-end 31/12/24	Included within Debtor balance at the year-end 31/12/24
	€m	€m	€m
Recharged from National Grid Electricity Transmission plc	2.0	1.0	-
Recharged from Thamesport Interchange Limited	1.3	-	-
Recharged from TenneT TSO B.V.	2.9	0.9	7.1
<b>Total</b>	<b>6.2</b>	<b>1.9</b>	<b>7.1</b>

	Recharged in the year to 31/12/23	Included within Creditor balance at the year-end 31/12/23	Included within Debtor balance at the year-end 31/12/23
	€m	€m	€m
Recharged from National Grid Electricity Transmission plc	2.6	1.4	-
Recharged from Thamesport Interchange Limited	1.2	-	-
Recharged from National Grid Insurance Company (Isle of Man) Limited	(21.9)	-	-
Recharged from TenneT TSO B.V.	(3.4)	0.5	7.3
<b>Total</b>	<b>(21.5)</b>	<b>1.9</b>	<b>7.3</b>

National Grid plc has arranged qualifying third party indemnities against financial exposure that National Grid Directors may incur in the course of their professional duties. Alongside these indemnities, National Grid places Directors' and Officers' liability insurance for each National Grid Director. No recharges were made to National Grid for these services.

## **BritNed Development Limited**

### **Notes to the financial statements (continued) for the year ended 31 December 2024**

#### **19 Ultimate parent undertaking and controlling party**

Copies of the consolidated financial statements which include the results of BritNed Development Limited can be obtained from the Company Secretary, National Grid plc, 1-3 Strand, London WC2N 5EH and TenneT Holding B.V., Utrechtseweg 310, PO Box 718, NL6800 AS Arnhem, the Netherlands. BritNed Development Limited is owned in equal shares by National Grid Interconnector Holdings Limited and NLink International B.V.

The ultimate parent and controlling Companies are National Grid plc and TenneT Holding B.V.. The immediate parent Companies are National Grid Interconnector Holdings Limited and NLink International B.V.

BritNed's registered office address is in London, UK and its head office is located in Arnhem, Netherlands. It has a further office branch in Warwick, UK and operates out of the Isle of Grain, UK and Maasvlakte, Netherlands.

The largest and smallest groups which include the Company and for which consolidated financial statements are prepared are headed by National Grid plc which is registered in England and Wales and TenneT Holding B.V. and NLink International B.V. which are registered in the Netherlands.

#### **20 Post Balance Sheet Event**

On 27<sup>th</sup> June 2025, €39.8m interim dividends have been paid to shareholders. This equates to €0.07 per share held.