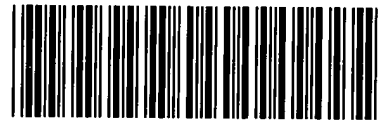


REGISTERED NUMBER 08079001 (England and Wales)

TC Lincs Holdco Limited
Annual Report and Financial Statements
Year ended 31 March 2021

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TC Lincs Holdco Limited (Registered number: 08079001)

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Year ended 31 March 2021**

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TC Lincs Holdco Limited (Registered number: 08079001)

Company Information
Year ended 31 March 2021

Directors	G J Frost M J Gregory S Fennell
Company Secretary	A E Woods
Registered Office	Three More London Riverside London SE1 2AQ
Registered Number	08079001 (England and Wales)
Auditor	KPMG LLP Statutory Auditor One Snowhill Snow Hill Queensway Birmingham B4 6GH

TC Lincs Holdco Limited (Registered number: 08079001)

Report of the Directors Year ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

TC Lincs Holdco Limited ("the company") is the immediate parent undertaking of TC Lincs OFTO Limited ("Lincs OFTO"). The principal activity of the company in the period under review was that of a finance company. In November 2014, the company provided the finance to Lincs OFTO to fund part of its acquisition and the ongoing operation and maintenance of the Lincs wind farm transmission assets. Lincs OFTO was also granted an offshore transmission licence by The Office of Gas and Electricity Market ("Ofgem") giving it the right to earn availability based income on the transmission assets for a period of 20 years until November 2034.

DIVIDENDS

The directors do not recommend the payment of a dividend (2020: £Nil).

GOING CONCERN

The company exists to provide finance and hold investments in its subsidiary that provide the ongoing operation and maintenance of the Lincs OFTO offshore wind farm transmission assets. Lincs OFTO was also granted an offshore transmission licence by The Office of Gas and Electricity Market ("Ofgem") giving it the right to earn availability based income on the transmission assets for a period of 20 years until November 2034.

The company's ability to meet its debts as they fall due is dependent on the performance of company's interest in Lincs OFTO. The Directors have reviewed the cash flow forecasts of Lincs OFTO covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, Lincs OFTO will have sufficient funds to meet its liabilities as they fall due for that period. Those forecasts are dependent on the underlying customer continuing to meet its obligations under the License which is underwritten by National Electricity Transmission System Operator (NETSO), a statutory role granted by the Secretary of State.

In making this assessment the Directors have considered the potential impact of the emergence and spread of COVID-19.

Lincs OFTO's operating cash inflows are largely dependent on transmission service receipts receivable from National Grid Electricity Transmission plc and the Directors expect these amounts to be received even in reasonably possible downside scenarios.

Lincs OFTO continues to provide the asset in accordance with the Licence and has maintained 100% availability levels, this is above the target levels set out in its transmission licence. As a result, the Directors do not believe there is any likelihood of a material impact to its revenue stream.

The Directors have assessed the viability of Lincs OFTO main sub-contractors and are satisfied in their ability to provide the services in line with the contract without significant additional costs to Lincs OFTO, even in downside scenarios, due to the underlying contractual terms. To date, there has been no adverse impact on the services provided by Lincs OFTO or its sub-contractors arising from COVID-19. However, in the unlikely event of a subcontractor failure, Lincs OFTO has its own business continuity plans to ensure that service provision will continue.

The Directors believe Lincs OFTO has sufficient funding in place for the remaining life of the licensed revenue term and the Directors' expect Lincs OFTO to maintain compliance with its debt covenants even in downside scenarios.

TC Lincs Holdco Limited (Registered number: 08079001)

Report of the Directors Year ended 31 March 2021

GOING CONCERN (*Continued*)

Consequently, the Directors are confident that the Lincs OFTO will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have concluded that it is appropriate to prepare these financial statements on a going concern basis.

POLITICAL CONTRIBUTIONS

The company made no political donations or incurred any political expenditure during the year (2020: £Nil).

OTHER INFORMATION

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 5.

DIRECTORS

The directors who held office during the period and up to the date of signing these financial statements are as follows:

G J Frost
M J Gregory
S Fennell

International Public Partnerships Limited, the company's ultimate parent, continues to hold qualifying third party indemnity provisions for the benefit of the company's directors which held office during the period and these remain in force at the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

TC Lincs Holdco Limited (Registered number: 08079001)

**Report of the Directors
Year ended 31 March 2021**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Pursuant to section 487(2) of the Companies Act 2006, the auditor shall cease to hold office at the end of the next accounting period for appointing auditors unless re-appointed.

ON BEHALF OF THE BOARD:



.....
S Fennell – Director

Date: 26 July 2021

TC Lincs Holdco Limited (Registered number: 08079001)

Strategic Report Year ended 31 March 2021

REVIEW OF BUSINESS

The result for the year was £Nil (2020: £Nil).

The company's result in the year is in line with directors' expectations as the loan from its immediate parent OFTO Superholdco Limited, which is subject to an annual interest rate of 7.10% and indexation in line with movements in RPI over/under a base rate of 2.75% has been on lent to the company's subsidiary undertaking Lincs OFTOs under identical terms.

FUTURE DEVELOPMENTS

The company continues to deliver financial performance in line with the financial model and the directors remain confident in the company's strategy and its ability to deliver shareholder value and its outlook for the coming year remains positive.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include liquidity risk, cash flow risk and credit risk. The company has in place a risk management process that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

The company's financial instrument is a fixed rate RPI linked loan provided by the company's immediate parent undertaking OFTO Superholdco Limited. The company has on lent the loan proceeds to its subsidiary undertaking Lincs OFTO via a fixed rate RPI linked intercompany loan.

The company does not undertake financial instrument transactions which are speculative or unrelated to the company's trading activity.

Liquidity risk

The company manages liquidity risk via matching the terms of the loans provided to Lincs OFTO with those of its own intercompany borrowing facilities. The nature of the Lincs concession provides largely predictable long-term cash flows to Lincs OFTO which it uses to service its debts owed to the company and in turn, the company uses to service its own liabilities.

Cash flow risk

The company's intercompany borrowing from OFTO Superholdco Limited has a fixed rate coupon and accordingly the company is not exposed to changes in interest rates in respect of this loan. The intercompany borrowing is RPI linked. However, any RPI risk is mitigated as the intercompany loan has been passed down on identical terms to the company's subsidiary undertaking, Lincs OFTO.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge its obligation under the contract giving rise to the financial instrument. The company has entered into long-term arrangements with credit worthy counterparties and monitors the risk of credit deterioration on a regular basis. The company's credit risk is concentrated as its cash flows are due from its subsidiary undertaking, Lincs OFTO, whose principal cash flows are generated from the availability of the transmission assets. This concentration of risk is mitigated as the cash flows are secured under licence with National Grid Electricity Transmission plc ("NGET") in its capacity as National Electricity Transmission System Operator. NGET is a protected energy company for the purposes of the Energy Act 2004.

TC Lincs Holdco Limited (Registered number: 08079001)

Strategic Report Year ended 31 March 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are closely linked to those of its subsidiary undertaking Lincs OFTO. They comprise:

- The company's ability to service its own debt is dependent upon the profitability of Lincs OFTO. A decline in the profitability of Lincs OFTO as a result of sustained periods of unavailability or unexpected cost increases not covered by insurances or contracted pass-through cost reductions may impair Lincs OFTO's ability to service its debts owed to the company. As a consequence this may impair the company's ability to service its own debts. Lincs OFTO employs a specialist services provider to ensure availability is within target levels.
- The company's intercompany borrowing from its immediate parent undertaking, OFTO Superholdco Limited is RPI linked, however any RPI risk is mitigated on the basis that the terms of this loan are passed down on identical terms to the company's subsidiary undertaking, Lincs OFTO.

KEY PERFORMANCE INDICATORS

The directors review the performance of the company in conjunction with the performance of Lincs OFTO on the basis of the following key indicators:

- Availability of the transmission assets is a key performance indicator and directly impacts the revenue earned by Lincs OFTO. Lincs OFTO has an availability target set by Ofgem and is entitled to additional revenue if availability is in excess of this level or is charged deductions if availability falls below this level. During the current period under review Lincs OFTO has out-performed availability ratio targets.
- Long and short term financial covenants set by Lincs OFTO's external lender are regularly reviewed by the directors. Management forecasts sufficient head room on all financial covenants relating to its long term loan facilities throughout the loan agreement.
- The directors regularly review the actual costs and revenues of the company and those of Lincs OFTO against budgets. The latest reviews indicate performance which is consistent with management's expectations and targets.

ON BEHALF OF THE BOARD:



.....
M J Gregory – Director

Date: 26 July 2021

Independent Auditor's Report to the Members of TC Lincs Holdco Limited

Opinion

We have audited the financial statements of TC Lincs Holdco Limited ("the company") for the year ended 31 March 2021 which comprise the which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Independent Auditor's Report to the Members of TC Lincs Holdco Limited

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements accounts including financial reporting legislation (including related companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures for the audit of the financial statements.

Secondly, the Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements accounts. We identified health and safety and the Energy Act 2004 as the most likely area to have such an effect, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of financial statements and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent Auditor's Report to the Members of TC Lincs Holdco Limited

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Members of TC Lincs Holdco Limited

The purpose of our audit work and to whom we owe our responsibilities

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



James Tracey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH
Date: 27 July 2021

TC Lincs Holdco Limited (Registered number: 08079001)

**Statement of Comprehensive Income
Year ended 31 March 2021**

		Year ended 31-Mar-21 £'000	Year ended 31-Mar-20 £'000
OPERATING RESULT	2	-	-
Interest receivable and similar income	3	9,019	11,480
Interest payable and similar expenses	4	(9,019)	(11,480)
		<hr/>	<hr/>
RESULT BEFORE TAXATION		-	-
Tax on result	5	-	-
		<hr/>	<hr/>
RESULT FOR THE FINANCIAL YEAR, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

TC Lincs Holdco Limited (Registered number: 08079001)

**Balance Sheet
As at 31 March 2021**

	Note	31-Mar-21 £'000	31-Mar-20 £'000
FIXED ASSETS			
Fixed asset investments	6	-	-
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	5,431	5,268
Debtors: amounts falling due after more than one year	7	153,330	164,444
		<u>158,761</u>	<u>169,712</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(5,431)</u>	<u>(5,268)</u>
NET CURRENT ASSETS		<u>153,330</u>	<u>164,444</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>153,330</u>	<u>164,444</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	<u>(153,330)</u>	<u>(164,444)</u>
NET ASSETS		<u>-</u>	<u>-</u>
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Profit and loss account		-	-
SHAREHOLDER'S FUNDS		<u>-</u>	<u>-</u>

The financial statements were approved by the Board of Directors on 26 July 2021 and were signed on its behalf by:



.....
S Fennell - Director

The notes form part of these financial statements

TC Lincs Holdco Limited (Registered number: 08079001)

**Statement of Changes in Equity
Year ended 31 March 2021**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2019	-	-	-
Changes in equity			
Total comprehensive income	-	-	-
Balance at 31 March 2020	-	-	-
Changes in equity			
Total comprehensive income	-	-	-
Balance at 31 March 2021	-	-	-

The notes form part of these financial statements

TC Lincs Holdco Limited (Registered number: 08079001)

Notes to the Financial Statements Year ended 31 March 2021

1. ACCOUNTING POLICIES

Basis of preparation of the financial statements

TC Lincs Holdco Limited (the "company") is a private company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The financial statements are prepared on the historical cost basis.

The company's parent undertaking, International Public Partnerships Limited Partnership, includes the company in its consolidated financial statements. The consolidated financial statements of International Public Partnerships Limited Partnership are prepared in accordance with IFRS as adopted by the EU and are available to the public and may be obtained from Three More London Riverside, London, SE1 2AQ. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of International Public Partnerships Limited Partnership include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The company has taken advantage of the exemption in Section 33.1A Related Party Disclosures not to disclose related party transactions between two or more members of a group provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The company exists to provide finance and hold investments in its subsidiary that provide the ongoing operation and maintenance of the Lincs OFTO offshore wind farm transmission assets. Lincs OFTO was also granted an offshore transmission licence by The Office of Gas and Electricity Market ("Ofgem") giving it the right to earn availability based income on the transmission assets for a period of 20 years until November 2034.

TC Lincs Holdco Limited (Registered number: 08079001)

Notes to the Financial Statements Year ended 31 March 2021

1. ACCOUNTING POLICIES (Continued)

Going concern (Continued)

The company's ability to meet its debts as they fall due is dependent on the performance of company's interest in Lincs OFTO. The Directors have reviewed the cash flow forecasts of Lincs OFTO covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, Lincs OFTO will have sufficient funds to meet its liabilities as they fall due for that period. Those forecasts are dependent on the underlying customer continuing to meet its obligations under the License which is underwritten by National Electricity Transmission System Operator (NETSO), a statutory role granted by the Secretary of State.

In making this assessment the Directors have considered the potential impact of the emergence and spread of COVID-19.

Lincs OFTO's operating cash inflows are largely dependent on transmission service receipts receivable from National Grid Electricity Transmission plc and the Directors expect these amounts to be received even in reasonably possible downside scenarios.

Lincs OFTO continues to provide the asset in accordance with the Licence and has maintained 100% availability levels, this is above the target levels set out in its transmission licence. As a result, the Directors do not believe there is any likelihood of a material impact to its revenue stream.

The Directors have assessed the viability of Lincs OFTO main sub-contractors and are satisfied in their ability to provide the services in line with the contract without significant additional costs to Lincs OFTO, even in downside scenarios, due to the underlying contractual terms. To date, there has been no adverse impact on the services provided by Lincs OFTO or its sub-contractors arising from COVID-19. However, in the unlikely event of a subcontractor failure, Lincs OFTO has its own business continuity plans to ensure that service provision will continue.

The Directors believe Lincs OFTO has sufficient funding in place for the remaining life of the licensed revenue term and the Directors expect Lincs OFTO to maintain compliance with its debt covenants even in downside scenarios.

Consequently, the Directors are confident that the Lincs OFTO will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have concluded that it is appropriate to prepare these financial statements on a going concern basis.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised at transaction price less attributable transaction costs. Trade and other creditors are recognised at transaction price plus attributable transaction costs. Any losses arising from impairment are recognised in the statement of comprehensive income in administrative expenses.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

TC Lincs Holdco Limited (Registered number: 08079001)

Notes to the Financial Statements Year ended 31 March 2021

1. ACCOUNTING POLICIES (Continued) Basis financial instruments (Continued)

Interest receivable and interest payable

Interest payable and similar charges includes interest and indexation payable on borrowings, the unwinding of the discount on provisions, and other financial charges.

Bank interest receivable includes interest receivable on cash deposits. Interest income and interest payable are recognised in profit or loss using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Investments

Investments in subsidiaries are carried at cost less provision for any impairment in value.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

There are no significant estimates in the preparation of these financial statements.

TC Lincs Holdco Limited (Registered number: 08079001)

Notes to the Financial Statements Year ended 31 March 2021

2. OPERATING RESULT

The directors received no salary, fees or other benefits in the performance of their duties in respect of their services to the company (2020: £Nil).

The company has no employees and hence there were no staff costs for the year ended 31 March 2021 (2020: £Nil).

The audit fees of £1,000 for the year ending 31 March 2021 (2020: £1,000) relating to the company were borne by its subsidiary company, Lincs OFTO.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31-Mar-21 £'000	Year ended 31-Mar-20 £'000
Intercompany loan interest and indexation	<u>9,019</u>	<u>11,480</u>

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31-Mar-21 £'000	Year ended 31-Mar-20 £'000
Intercompany loan interest and indexation	<u>9,019</u>	<u>11,480</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year (2020: £Nil).

There is no unprovided deferred tax at the year ended 31 March 2021 (2020: £Nil).

Factors affecting the current tax charge

The tax assessed for the year is equal to (2020: equal to) the standard rate of corporation tax in the UK.

	Year ended 31-Mar-21 £'000	Year ended 31-Mar-20 £'000
Result before tax	<u>-</u>	<u>-</u>
Result before tax multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	-	-
Effects of:		
- Permanent differences	61	63
- Group relief for nil payment	(61)	(63)
Current tax charge for the year	<u>-</u>	<u>-</u>

TC Lincs Holdco Limited (Registered number: 08079001)

Notes to the Financial Statements Year ended 31 March 2021

5. TAXATION (Continued)

Factors affecting the tax charges in future years

An increase in the UK corporation tax rate from 17% to 19% (effective from 1 April 2020) was substantively enacted on 17 March 2020. It was announced in the 3 March 2021 Budget that the UK tax rate will increase to 25% from 1 April 2023. This will have no effect on the company's future tax charge.

6. FIXED ASSET INVESTMENTS

	31-Mar-21 £'000	31-Mar-20 £'000
Investment in subsidiary undertaking	-	-

The company holds 100% of the issued ordinary share capital (£1) of TC Lincs OFTO Limited, a company incorporated in United Kingdom, and has 100% of the voting rights. The address of TC Lincs OFTO Limited registered office is Three More London Riverside, London, SE1 2AQ.

7. DEBTORS

	31-Mar-21 £'000	31-Mar-20 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	5,431	5,268
Amounts falling due after more than one year:		
Amounts owed by group undertakings	153,330	164,444
Aggregate amounts	158,761	169,712

Amounts owed by group undertakings represent a loan made to the company's subsidiary undertaking, Lincs OFTO. The loan is subject to annual indexation in line with movements in RPI over/under a benchmark rate of 2.75% and has a fixed interest rate of 7.10% per annum. Interest that is contingent on movements in RPI over/under a benchmark rate is taken into account in calculating finance costs once they have occurred.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31-Mar-21 £'000	31-Mar-20 £'000
Amounts owed to group undertakings	5,431	5,268

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31-Mar-21 £'000	31-Mar-20 £'000
Amounts owed to group undertakings	153,330	164,444

TC Lincs Holdco Limited (Registered number: 08079001)

Notes to the Financial Statements Year ended 31 March 2021

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (Continued)

The company received a loan from its shareholder. The loan has a fixed interest rate of 7.10% per annum and is unsecured. The loan is fully repayable by 31 March 2035. The loan is subject to RPI linked indexation over/under a base rate of 2.75%.

The maturity profile of amounts owed to group undertakings, included within creditors, is analysed as follows:

	31-Mar-21 £'000	31-Mar-20 £'000
Repayable within five years	4,846	4,697
Repayable after more than five years	153,915	165,015
	<u>158,761</u>	<u>169,712</u>

10. CALLED UP SHARE CAPITAL

	31-Mar-21 £'000	31-Mar-20 £'000
Allotted and fully paid		
1 (2020: 1) ordinary share of £1 each	-	-

The holder of ordinary share is entitled to receive dividends from time to time and is entitled to one vote on a poll at meetings of the company.

11. ULTIMATE CONTROLLING PARTY

The directors regard OFTO Superholdco Limited, a company incorporated in England and Wales as the immediate parent undertaking and controlling party and International Public Partnerships Limited, a company registered in Guernsey, as the ultimate parent undertaking and controlling party. Copies of the consolidated financial statements of International Public Partnerships Limited Partnership (the smallest and the largest group of which the company is a member and for which group financial statements are prepared) can be obtained from the company's registered office, Three More London Riverside, London, SE1 2AQ.