

BritNed Development Limited

Annual Report

and Financial Statements

For the year ended 31 December 2014

BritNed Development Limited

Strategic Report

For the year ended 31 December 2014

The Directors present their strategic report on the Company for the year ended 31 December 2014.

Review of the business

The Company's principal activity is the operation of a sub-sea interconnector link between England and Wales and the Netherlands electricity networks.

Executive summary

During 2014 the Company continued to operate the sub-sea interconnector between England and Wales and the Netherlands electricity networks.

BritNed operates a sub-sea cable between the UK and the Netherlands. The revenue of the Company generated is based on the price spread between the countries. This is one of the Company's principal risks, as when the price spread between the two countries converges, the revenue will also decrease. The other principal risk is the failure of the cable and therefore no flow of electricity would be possible, and thus no revenue would be generated.

During the year under review the price spread increased and therefore also the revenue generated. Compared to last year (2013), the revenue increased to €116,136,000 compared to €69,334,000 in 2013. The financial position of the Company is strong, with a positive outlook for the next few years as the spread between both countries based on the forward spread is positive.

Results

The profit for the financial year after taxation was €62,803,000 (2013 profit: €27,380,000).

Financial position

The financial position of the Company is presented in the balance sheet. Total shareholders' funds at 31 December 2014 were €517,204,000 (2013: €551,131,000) comprising total fixed assets of €493,864,000 (2013: €508,809,000), creditors due after one year of €1,946,000 (2013: €1,999,000), provisions for liabilities of €16,272,000 (2013: €12,944,000) and net current assets of €41,558,000 (2013: €57,265,000).

Key Performance indicators

The following Key Performance indicators are noted:

	2014	2013	Definition, method of calculation and analysis
Revenue and growth in revenue (€m/%)	€116.1 / 68%	€69.3m / 72 %	Year on year sales growth expressed as a percentage. The year on year increase is a result of a higher market spread.
Number of unplanned outages Bipole / Monopole	0 / 2	2 / 4	Number of outages in one year for Bipole and Monopole. 2014 was a good year with only two short Monopole outages.
SHES incidents (LTI's)	-	-	Number of safety incidents in one year. In both years none to be reported.

BritNed Development Limited

Strategic Report (continued)

For the year ended 31 December 2014

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 England and Wales and the Netherlands electricity networks.

Approved by the Board and signed by the order of it:

Heather Rayner
Secretary
26 March 2015

BritNed Development Limited

Directors' Report

For the year ended 31 December 2014

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2014.

Future developments

Details of future developments have been included within the Strategic Report on page 2.

Dividends

The Directors approved and paid dividends of €96,730,000 (2013: €39,830,000) 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 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 BritNed. The credit risk on trade receivables is very limited as all credit risks are secured by means of Letters of Credit or cash deposits on 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 cross-currency hedging.

Directors

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

Lex Hartman
Guido Fricke
Paul Johnson (resigned on 2 January 2014)
Graeme Steele (appointed on 2 January 2014)
Chris Waters

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.

To extend a similar indemnity to the Directors of BritNed Development Limited not employed by National Grid, BritNed Development Limited has placed its own third party Directors' and Officers' insurance.

BritNed Development Limited

Directors' Report (continued)

For the year ended 31 December 2014

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

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

Disclosure of information to auditors

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

Going concern

The Directors are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon 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.

Approved by the Board and signed by the order of it:

Heather Rayner

Secretary

26 March 2015

Registered office:

1-3 Strand

London

WC2N 5EH

Registered in England and Wales

Company registration number: 4251409

Independent auditors' report to the members of BritNed Development Limited

Report on the financial statements

Our opinion

In our opinion, BritNed Development Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

BritNed Development Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of

BritNed Development Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Simon Evans (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
26 March 2015

BritNed Development Limited

Profit and loss account

For the year ended 31 December 2014

	Notes	2014 €'000	2013 €'000
Turnover	3	116,136	69,334
Administrative expenses		(31,832)	(31,675)
Operating profit	4	84,304	37,659
Interest receivable and similar income		140	165
Interest payable and similar charges		(195)	(12)
Profit on ordinary activities before taxation		84,249	37,812
Tax on profit on ordinary activities	5	(21,446)	(10,432)
Profit for the financial year	13	62,803	27,380

The results reported above relate to continuing activities.

The Company has no recognised gains and losses other than the profit for the financial years stated above and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the profit on ordinary activities before and after taxation for the financial years stated above and their historical cost equivalents.

BritNed Development Limited

Balance sheet

As at 31 December 2014

	Notes	2014 €'000	2013 €'000
Fixed assets			
Intangible assets	6	2,788	2,444
Tangible assets	7	491,076	506,365
		<u>493,864</u>	<u>508,809</u>
Current assets			
Debtors	8	20,400	21,240
Cash at bank and in hand		42,609	47,535
		<u>63,009</u>	<u>68,775</u>
Creditors			
Creditors: amounts falling due within one year	9	(21,451)	(11,510)
Net current assets		<u>41,558</u>	<u>57,265</u>
Total assets less current liabilities		535,422	566,074
Creditors: amounts falling due after more than one year	10	(1,946)	(1,999)
Provisions for liabilities	11	(16,272)	(12,944)
Net assets		<u>517,204</u>	<u>551,131</u>
Capital and reserves			
Called up share capital	12	113,800	113,800
Profit and loss account	13	403,404	437,331
Total shareholders' funds	14	<u>517,204</u>	<u>551,131</u>

The financial statements on pages 7 to 19 were approved by the Board of Directors on 26 March 2015 and signed on its behalf by:

Guido Fricke
Director

Graeme Steele
Director

BritNed Development Limited

Cash flow statement

For the year ended 31 December 2014

	Note	2014 €'000	2013 €'000
Net cash inflow from operating activities	15	101,702	62,832
Returns on investments and servicing of finance			
Interest received		140	165
Interest paid		(195)	(12)
		<u>(55)</u>	<u>153</u>
Taxation			
Corporation tax paid		(8,920)	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		-	(384)
Purchase of intangible fixed assets		(923)	(355)
		<u>(923)</u>	<u>(739)</u>
Equity dividends paid			
Dividends paid	13	(96,730)	(39,830)
(Decrease) / increase in cash	16	<u>(4,926)</u>	<u>22,416</u>

BritNed Development Limited

Notes to the financial statements

For the year ended 31 December 2014

1 Accounting policies

(a) Basis of preparation

These financial statements have been prepared on the going concern basis in accordance with applicable UK accounting and financial reporting standards and the Companies Act 2006. They have been prepared on an historical cost basis and are presented in Euros, which is the currency of the primary economic environment in which the Company operates.

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.

(b) Going concern

The Directors are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon 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.

(c) European Union Grant Funding

BritNed Development Limited received project funding from the European Union. The funding was received by National Grid International Limited and fifty percent of this is transferred to BritNed's other parent Company NLink International BV through the financial statements of BritNed Development Limited. Other European Union grant funding that relates to specific capital expenditure is treated as deferred income which is then credited to the profit and loss account over the related assets' useful life.

(d) Development costs held as intangible assets

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 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.

BritNed Development Limited

Notes to the financial statements (continued)

For the year ended 31 December 2014

1 Accounting policies (continued)

(e) Tangible assets and depreciation

Tangible fixed assets 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.

No depreciation is provided on assets in the course of construction. Tangible fixed assets 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 furniture and 40 years for freehold property.

(f) Taxation

Current tax is provided at the amount expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or the right to pay less tax, at a future date, at tax rates expected to apply when the timing differences reverse based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in the financial statements.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(g) 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 profit and loss account.

(h) Turnover

Turnover comprises the value of inter connector 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 compensation. 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 under Application Note G of FRS 5 'Reporting the substance of transactions' in respect of energy purchases.

BritNed Development Limited

Notes to the financial statements (continued)

For the year ended 31 December 2014

2 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 the 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 (2013: none).

3 Turnover

	2014	2013
	€'000	€'000
Net explicit revenue	92,788	60,320
Net implicit revenue	14,216	9,424
Other revenue including ancillary income of €9,651,000 (2013: £nil)	9,705	-
Other transaction fees (APX, clearing fees)	(573)	(410)
Total revenue	116,136	69,334

4 Operating profit

	2014	2013
	€'000	€'000
Operating profit is stated after charging / (crediting):		
Operating costs incurred by National Grid and recharged	5,744	5,071
Operating costs incurred by TenneT and recharged	2,449	1,713
Depreciation of tangible fixed assets	15,289	15,530
Amortisation of intangible fixed assets	579	495
Amortisation of grant funding	(53)	(101)
Operating lease charges – other	154	135
Foreign exchange losses	567	707
Services provided by the Company's auditors		
Statutory audit fee	67	67
Other assurance services – grant claim	-	12

BritNed Development Limited

Notes to the financial statements (continued)

For the year ended 31 December 2014

5 Tax on profit on ordinary activities

	2014	2013
	€'000	€'000
Current tax:		
UK corporation tax	13,591	-
Double tax relief	(6,795)	-
Adjustments in respect of prior periods	798	13
Foreign tax	10,524	4,185
Total current tax	18,118	4,198
Deferred tax:		
Origination and reversal of timing differences	4,776	8,173
Adjustments in respect of prior periods	(915)	(18)
Impact of change in tax rate	(533)	(1,921)
Total deferred tax (note 11)	3,328	6,234
Tax charge on profit on ordinary activities	21,446	10,432

The rate difference arises from the reduction in the main rate of UK corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015 enacted by Finance Act 2013. Deferred tax balances have been reflected at the rate they will reverse at. The tax assessed for the year is higher (2013: lower) than the standard rate of corporation tax in the UK for the year of 21.50% (2013: 23.25%). The differences are explained below:

	2014	2013
	€'000	€'000
Profit on ordinary activities before taxation	84,249	37,812
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	18,114	8,791
Effect of:		
Permanent items	315	355
Capital allowances for year in excess of depreciation	(4,838)	(5,358)
Utilisation of tax losses	-	(2,815)
Deduction of foreign tax	-	(973)
Double tax relief	(6,795)	-
Adjustments in respect of prior periods	798	13
Foreign tax suffered	10,524	4,185
Total current tax charge for the year	18,118	4,198

Factors that may affect future tax charges

A number of changes to the UK corporation tax system were enacted by the Finance Act 2013. These changes included a reduction in the corporation tax rate from 23% to 21% from 1 April 2014. Corporation tax has therefore been calculated using these rates on a pro rata basis. A further decrease in the corporation tax rate was enacted, which will result in a further 1% reduction in the UK corporation tax rate to 20% from 1 April 2015. As this reduction had been enacted as at the balance sheet date, the year-end deferred tax balances have been calculated at the rate at which they are expected to reverse.

BritNed Development Limited

Notes to the financial statements (continued)

For the year ended 31 December 2014

6 Intangible assets

	Capacity trading capability €'000
Cost:	
At 1 January 2014	3,725
Additions	923
At 31 December 2014	4,648
Accumulated amortisation:	
At 1 January 2014	1,281
Charged to the profit and loss account	579
At 31 December 2014	1,860
Net book value:	
At 31 December 2014	2,788
At 31 December 2013	2,444

Development costs in respect of capacity trading capability are capitalised. From 1 April 2011 costs are amortised over a period of 7 years.

7 Tangible assets

	Freehold property €'000	Plant and machinery €'000	Fixtures and furniture €'000	Total €'000
Cost:				
At 1 January 2014	73,774	472,830	153	546,757
Disposal	-	-	(75)	(75)
At 31 December 2014	73,774	472,830	78	546,682
Accumulated depreciation:				
At 1 January 2014	5,072	35,167	153	40,392
Charge for the year	1,844	13,445	-	15,289
Disposal	-	-	(75)	(75)
At 31 December 2014	6,916	48,612	78	55,606
Net book value:				
At 31 December 2014	66,858	424,218	-	491,076
At 31 December 2013	68,702	437,663	-	506,365

BritNed Development Limited

Notes to the financial statements (continued)

For the year ended 31 December 2014

8 Debtors

	2014	2013
	€'000	€'000
Amounts falling due within one year:		
Trade debtors	-	70
Amounts owed by related undertakings	11,840	14,810
Amount owed by associated companies related to current tax	1,790	4,398
Value added tax recoverable	-	276
Other debtors	4,777	2
Prepayments and accrued income	1,993	1,684
	<u>20,400</u>	<u>21,240</u>

9 Creditors: amounts falling due within one year

	2014	2013
	€'000	€'000
Trade creditors – related parties	838	290
Trade creditors – other	565	2,522
Corporation tax payable – foreign	6,590	-
Value added tax payable	647	-
Amounts owed to related undertakings	476	172
Accruals and deferred income	12,335	8,526
	<u>21,451</u>	<u>11,510</u>

Amounts owed to related parties are unsecured, interest free and due on demand.

10 Creditors: amounts falling due after more than one year

	2014	2013
	€'000	€'000
Deferred grant income	<u>1,946</u>	<u>1,999</u>

BritNed Development Limited

Notes to the financial statements (continued)

For the year ended 31 December 2014

11 Provisions for liabilities

	2014 €'000	2013 €'000
Accelerated capital allowances	16,272	17,461
Other short term timing differences	-	(4,517)
Deferred tax liability	16,272	12,944
Deferred tax liability at 1 January	12,944	6,710
Charged to profit and loss account	3,328	6,234
Deferred tax liability at 31 December	16,272	12,944

12 Called up share capital

	2014 €'000	2013 €'000
Allotted, called up and fully paid		
1 (2013: 1) "A" share of £1	-	-
1 (2013: 1) "B" share of £1	-	-
284,500,000 (2013: 284,500,000) "C" shares of 0.2 euro each	56,900	56,900
284,500,000 (2013: 284,500,000) "D" shares of 0.2 euro each	56,900	56,900
	113,800	113,800

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.

13 Reserves

		P&L €'000
At 1 January 2014		437,331
Profit for the financial year		62,803
Dividend paid (17.0 cent per C and D share)		(96,730)
At 31 December 2014		403,404
	2014 €'000	2013 €'000
Dividends		
Interim paid per "C" share of 0.17 (2013: 0.07 euro) euro each	48,365	19,915
Interim paid per "D" share of 0.17 (2013: 0.07 euro) euro each	48,365	19,915
	96,730	39,830

No final dividend in respect of the financial year ending 31 December 2014 is proposed.

BritNed Development Limited

Notes to the financial statements (continued)

For the year ended 31 December 2014

14 Reconciliation of movements in shareholders' funds

	2014 €'000	2013 €'000
Profit for the financial year	62,803	27,380
Dividend paid in the year	(96,730)	(39,830)
Net decrease in shareholders' funds	(33,927)	(12,450)
Opening shareholders' funds	551,131	563,581
Closing shareholders' funds	517,204	551,131

15 Net cash inflow from operating activities

	2014 €'000	2013 €'000
Operating profit	84,304	37,659
Depreciation of tangible fixed assets	15,289	15,530
Amortisation of intangible fixed assets	579	495
(Decrease) / increase in debtors	(1,768)	4,882
Increase in creditors	3,298	4,266
Net cash inflow from operating activities	101,702	62,832

16 Reconciliation of net cash

	2014 €'000	2013 €'000
At 1 January	47,535	25,119
(Decrease) / increase in cash during the year	(4,926)	22,416
At 31 December	42,609	47,535

17 Financial commitments

At 31 December the Company had annual commitments for land and buildings under non-cancellable operating leases expiring as follows:

	2014 €'000	2013 €'000
Within 1 year	-	-
Within two to five years	144	155
After 5 years	-	-
	144	155

BritNed Development Limited

Notes to the financial statements (continued)

For the year ended 31 December 2014

18 Related party transactions and ultimate parent Company

During the year, BritNed Development Limited was a joint venture between National Grid Interconnector Holdings Limited and NLink International BV with each Company 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 Great Britain, and the ultimate parent undertaking of NLink International BV is TenneT Holdings BV which is incorporated in The Netherlands.

Related party purchases (being costs recharged to the Company) are made up of actual costs incurred by NLink International BV and National Grid Interconnector Holdings Limited that are recharged to the Company in respect of the development and operation of the interconnector link between the England and Wales electricity network and the Netherlands electricity network.

Related party debtors and creditors relate to invoices issued by BritNed Development Limited to National Grid Interconnector Holdings Limited and NLink International BV and by National Grid Interconnector Holdings Limited and NLink International BV to BritNed Development Limited respectively which as at 31 December 2014 were still outstanding. They also include funds held by related parties in respect of trading collateral.

Balances with related parties at 31 December 2014, together with the aggregate recharge made to and from related parties during the year were;

	Recharged in the year to 31 December 14	Creditor balance at the year end 31 December 14	Debtor balance at the year end 31 December 14
	€'000	€'000	€'000
Recharged from National Grid Interconnector Holdings Limited	2,624	233	-
Recharged from National Grid Electricity Transmission PLC	(9,651)	-	-
Recharged from National Grid Insurance Company (Isle of Man) Limited	3,051	-	-
Recharged from National Grid Insurance Company (Ireland) Limited	5	-	-
Recharged from NLink International BV	4	-	-
Recharged from TenneT TSO BV	2,012	600	976
Recharged from APX Holding BV	433	-	9,019

	Recharged in the year to 31 December 13	Creditor balance at the year end 31 December 13	Debtor balance at the year end 31 December 13
	€'000	€'000	€'000
Recharged from National Grid Interconnector Holdings Limited	2,785	-	-
Recharged from National Grid Property Holdings Limited	(6)	-	-
Recharged from National Grid Insurance Company (Isle of Man) Limited	2,073	-	-
Recharged from National Grid Insurance Company (Ireland) Limited	5	-	-
Recharged from NLink International BV	9	-	-
Recharged from TenneT TSO BV	1,112	401	982
Recharged from APX Holding BV	592	61	12,365

BritNed Development Limited

Notes to the financial statements (continued)

For the year ended 31 December 2014

18 Related party transactions and ultimate parent Company (continued)

Recharged from NG Electricity Transmission PLC includes the recharge of ancillary income of €9,651,000 (2013: €nil) that is included within turnover in note 3.

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 Holdings BV, 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 BV.

The ultimate parent and controlling companies are National Grid plc and TenneT Holdings BV. The immediate parent companies are National Grid Interconnector Holdings Limited and NLink International BV.

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 Holdings BV and NLink International BV which are registered in the Netherlands.