

Registered number: 15336337

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

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NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

COMPANY INFORMATION

Directors

L H Eldering
T J Kabir
G Le Parc
Dr. P J McFadzean
A A A Nabeeh

Registered number

15336337

Registered office

Chertsey Road
Sunbury On Thames
Middlesex
TW16 7BP
United Kingdom

Independent auditor

BDO LLP
55 Baker Street
London
W1U 7EU

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2025

The directors present their report and the audited financial statements for Net Zero North Sea Storage Holdings Limited (the "Company") for the period from 8 December 2023 to 31 March 2025.

First period of account

The Company was incorporated on 8 December 2023 and this is the first period for which financial statements have been prepared.

The Company has extended its reporting period to align to the reporting period of its subsidiary, so as to end on 31 March 2025 and these financial statements have been prepared for a period of 15 months.

Principal activity

The Company is a holding company for investments in Net Zero North Sea Storage Limited which is engaged in the development, construction and future operation of a Carbon Dioxide Transportation and Storage network in the North East of England.

Business review

During the reporting period, the Company commenced and continued to provide funding to its wholly owned subsidiary Net Zero North Sea Storage Limited by subscribing to its shares. Net Zero North Sea Storage Limited is engaged in the development, construction and future operation of a Carbon Capture and Storage (CCS) network in the North East of England, known as the Northern Endurance Partnership (NEP).

Dividends

During the period, the Company declared a final dividend for the period ended 31 March 2025 of £133,000,000, paid in March 2025.

Future developments

It is the intention of the directors to continue holding investments and provide funding to its wholly owned subsidiary Net Zero North Sea Storage Limited for it to progress development, construction and future operation of a Carbon Capture and Storage network.

Financial risk management

The Company is exposed to a number of different financial risks arising from natural business exposures including market risks relating to liquidity risk and credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to fund on a timely basis its capital expenditure program or service its debt. The Company is supported by the parent undertakings. The Company monitors funding to ensure availability of required liquidity, including capital expenditures and debt service payments, through cash management.

Liquidity and cash flow risk is mitigated as the Company receives financial support from its parent undertakings and has parent company guarantees in place.

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

FOR THE PERIOD ENDED 31 MARCH 2025

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost, favourable derivative financial instruments and deposits with banks and financial institutions, as well as outstanding receivables. Given the company's current activities, there is no significant exposure to credit risk

Going concern

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

In assessing whether the going concern assumption is appropriate, the directors have considered the current economic and geopolitical environment; the forecast spend and cash requirements for a period of at least 12 months from the date of approval of these financial statements. The Company's going concern is dependent on the going concern position of its subsidiary which has substantial project financing arrangements and parent company guarantees in place. As a result, the Directors of the Company expects that it has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

For further information on financial risk factors, including credit risk and liquidity risk, see page 2.

Directors

The directors who served during the period and up to the date of signing the financial statements, unless otherwise stated, were:

C R S Daykin	(appointed 4 June 2024 and resigned 18 December 2024)
M K De Grove	(appointed 8 December 2023 and resigned 4 June 2024)
L H Eldering	(appointed 18 December 2024)
J Howe	(appointed 4 June 2024 and resigned 6 November 2024)
S C Jaeger	(appointed 4 June 2024 and resigned 13 September 2024)
T J Kabir	(appointed 28 August 2024)
A C Lane	(appointed 8 December 2023 and resigned 4 June 2024)
G Le Parc	(appointed 4 June 2024)
Dr. P J McFadzean	(appointed 4 June 2024)
A A A Nabeeh	(appointed 23 December 2024)
M W Perrie	(appointed 8 December 2023 and resigned 4 June 2024)

Qualifying third-party indemnity provisions

Subject to the conditions set out in Section 234 of the Companies Act 2006, the Company has indemnified its Directors for any liability incurred by Directors in connection with negligence, default, breach of duty or trust in relation to the Company or an associated company, and in their duties as officers of the Company or an associated company. These indemnities were in force throughout the period and remain in force at the date of this report.

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

FOR THE PERIOD ENDED 31 MARCH 2025

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Independent auditor

The auditor, BDO LLP, was appointed during the period as the auditor to the company for the period ended 31 March 2025 and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small companies' exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

By order of the board:



[Peter McFadzean \(Sep 4, 2025 17:58:32 GMT+1\)](#)

Dr. P J McFadzean

Director

Date: 4-Sep-2025

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 MARCH 2025

The directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Under company law, 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 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 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 also 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2025 and of its loss for the period then ended; and
- 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 of Net Zero North Sea Storage Holdings Limited ("the Company") for the period ended 31 March 2025 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED (continued)

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with those charged with governance;
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be company law, tax legislation, bribery act, employment legislation, corporation tax and VAT legislation, health and safety including the financial reporting framework.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

- We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:
- Enquiry with those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls via posting inappropriate journal entries and the directors bias regarding key accounting estimates and judgments.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Our procedures in respect of the above included:

- Obtained an understanding of the design and implementation of relevant controls surrounding the financial reporting close process such as controls over the posting of journals and obtained understanding of the segregation of duties in these processes.
- Performed information produced by entity ("IPE") testing regarding the completeness and accuracy of data received from the entity.
- Tested the appropriateness of journal entries made throughout the year which met specific risk-based criteria to supporting documentation.
- Performed additional journal entry testing over a sample of journal entries posted which did not meet the above-mentioned risk-based criteria in order to confirm the appropriateness of the audit teams risk assessment over journal entries.
- Enquired of individuals involved in the financial reporting process about the knowledge or existence of any inappropriate or unusual activity that may be indicative of an override of the control environment.
- Challenged assumptions, estimates and judgements made by the directors in areas involving significant estimates, with the key sources of estimation and judgement identified.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

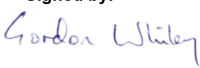
A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED (continued)

Use of our report

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

Signed by:

06D09F2C3BD3436...

Gordon Whiley (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 04 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE PERIOD ENDED 31 MARCH 2025

		Period from 8 December 2023 to 31 March 2025
	Note	£'000
Finance income	6	47
Finance expense	7	(155)
Loss before tax		(108)
Tax on loss	8	–
Loss for the financial period		(108)

There is no comprehensive income attributable to the shareholders of the Company other than the loss for the financial period and so no statement of other comprehensive income is presented.

The company's results are derived from continuing operations.

The notes on pages 15 to 23 are an integral part of these financial statements.

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

BALANCE SHEET

REGISTERED NUMBER: 15336337

AS AT 31 MARCH 2025

	Note	31 March 2025 £'000
Non-current assets		
Investments	10	16,574
Total non-current assets		16,574
Current assets		
Cash and cash equivalents		–
Total current assets		–
Total assets		16,574
Current liabilities		
Trade and other payables	11	(108)
Total current liabilities		(108)
Net assets		16,466
Equity		
Share capital	13	–
Retained earnings	14	16,466
Total equity		16,466

The notes on pages 15 to 23 are an integral part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 11 to 23 were approved by the board of directors and were signed on its behalf by:

Peter McFadzean

[Peter McFadzean \(Sep 4, 2025 17:58:32 GMT+1\)](#)

Dr. P J McFadzean

Director

Date: 4-Sep-2025

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2025

	Share capital	Retained earnings	Total equity
	£'000	£'000	£'000
At 8 December 2023 (on incorporation)	–	–	–
<i>Comprehensive expense:</i>			
Loss for the financial period	–	(108)	(108)
<i>Transactions with owners:</i>			
Issue of share capital (note 13)	149,574	–	149,574
Reduction in share capital (note 13)	(149,574)	149,574	–
Dividend paid (note 9)	–	(133,000)	(133,000)
At 31 March 2025	–	16,466	16,466

The notes on pages 15 to 23 are an integral part of these financial statements.

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2025

	Note	31 March 2025 £'000
Cash generated from operating activities	15	108
Net cash generated from operating activities		108
Cash flow from investing activities		
Investments in subsidiary	10	(149,574)
Return of capital from subsidiary	10	133,000
Interest received	6	47
Net cash used in investing activities		(16,527)
Cash flow from financing activities		
Interest paid	7	(155)
Dividends paid	9	(133,000)
Proceeds from issue of ordinary share capital	13	149,574
Net cash generated from financing activities		16,419
Net increase in cash and cash equivalents		–
Cash and cash equivalents at the beginning of financial period		–
Cash and cash equivalents at the end of financial period		–

The notes on pages 15 to 23 are an integral part of these financial statements.

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2025

1 General information

Net Zero North Sea Storage Holdings Limited ("the Company") is a holding company for investments in Net Zero North Sea Storage Limited which is engaged in the development, construction and future operation of a Carbon Capture and Storage (CCS) network in the North East of England, known as the Northern Endurance Partnership (NEP).

The Company is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of its registered office is Chertsey Road, Sunbury On Thames, Middlesex, TW16 7BP, United Kingdom.

2 Principal accounting policies

The significant accounting policies and critical accounting judgement, estimates and assumptions of the Company are set out below.

2.1 Basis of preparation of financial statements

These financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with UK adopted International Accounting Standards.

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires the use of certain critical accounting estimates. It also requires the directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this section.

The Company has taken the exemption to prepare group accounts on the basis that they qualify as a small group.

2.2 New standards, amendments and IFRIC interpretations

Amendments to IFRSs that are mandatorily effective for the current period:

In the current period, the Company has applied the following amendments to adopted IFRSs that are mandatorily effective for an accounting period that begins on or after 1 January 2024. The directors do not expect that the adoption of the standards listed below will have a material impact on the financial statements of the Company in the current period or future reporting years.

- Amendments to IAS 1, Presentation of financial statements' on non-current liabilities with covenants
- Amendment to IAS 7 and IFRS 7 - Supplier finance.
- Amendment to IFRS 16, Lease - Liability in a Sale and Leaseback.
- Amendments to IAS 21 - Lack of Exchangeability (effective 1 January 2025)

New and revised IFRSs in issue but not yet effective:

At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRSs that have been issued but are not yet effective and in some cases had not yet been adopted by the UK:

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2025

2 Principal accounting policies (continued)

2.2 New standards, amendments and IFRIC interpretations (continued)

- Amendments to the Classification and Measurement of Financial Instruments -amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)
- Annual improvements 2024 (effective 1 January 2026)
- Contracts Referencing Nature-dependent Electricity- amendment to IFRS 9 and IFRS 7
- IFRS 18, Presentation and disclosure in financial statement (effective 1 January 2027).
- IFRS 19, Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027).

The directors have considered the standards that are not yet effective and are currently assessing their potential impact. At this stage, the directors do not expect the implementation of these standards to have a material impact on the entity in the current or future reporting periods, or on foreseeable future transactions.

2.3 Going concern

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

In assessing whether the going concern assumption is appropriate, the directors have considered the current economic and geopolitical environment; the forecast spend and cash requirements for a period of at least 12 months from the date of approval of these financial statements. The Company's going concern is dependent on the going concern position of its subsidiary which has substantial project financing arrangements and parent company guarantees in place. As a result, the Directors of the Company expects that it has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

For further information on financial risk factors, including credit risk and liquidity risk see page 2.

2.4 Foreign currency

i. Functional and presentation currency

The Company's functional and presentational currency is pounds sterling (£). The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2025

2 Principal accounting policies (continued)

2.4 Foreign currency (continued)

ii. Transactions and balances (continued)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss except where deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the Statement of Profit or Loss within interest receivable and similar income or interest payable and similar expenses. All other foreign exchange gains and losses are presented in the Statement of Profit or Loss within other operating (losses)/expenses or administrative expenses.

2.5 Finance costs and income

Finance costs are charged to the Statement of Profit or Loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Interest income is recognised in the Statement of Profit or Loss using the effective interest method.

2.6 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Tax is recognised in the Statement of Profit or Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

The directors periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2025

2 Principal accounting policies (continued)

2.6 Taxation (continued)

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.7 Investments

Investment in subsidiary company

Investments in subsidiaries are held at cost. The Company assesses investments for an impairment indicator annually. If any such indication of possible impairment exists, the Company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Where these circumstances have reversed, the impairment previously made is reversed to the extent of the original cost of the investment.

The directors judgement is required to determine whether an indicator of potential impairment exists in relation to the Company's investments. No such indicators have been identified during the current period and therefore no impairment test has needed to be performed. Accordingly, the recoverable amount of the investment has not needed to be estimated, nor any assumptions made, and no sensitivity analysis has been required. Details of the carrying value of investments are provided in note 10.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash at bank.

2.9 Financial instruments

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period which are unpaid. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.11 Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the Statement of Changes in Equity.

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2025

3 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Company's accounting policies

Distribution as a Return of Capital

The accounting treatment for distributions received by a company from its subsidiary necessitates an assessment to determine whether the distribution is a return of capital, a dividend, or another type of payment.

The substance of the dividend distribution to the Company is to return the temporary source of equity financing provided. From the outset, it was the intention that Net Zero North Sea Storage Limited would initially be financed by third party loans and that the equity funding would be returned to the Company once the third-party financing was in place. The short time period between when the equity funding was initially provided by the Company and the distribution from Net Zero North Sea Storage Limited supports the temporary nature of the equity funding. Based on the substance of the arrangement, the directors consider the distribution received by Company to be a return of capital resulting in a reduction on the investment held in Net Zero North Sea Storage Limited.

4 Auditors' remuneration

The audit fee for the statutory audit of the company's financial statements has been borne by the subsidiary, Net Zero North Sea Storage Limited.

5 Employee information

(a) Remuneration of directors

The directors of the Company are also directors or officers of other group companies, and received no remuneration for the qualifying services to this Company.

No directors received contributions from the Company into a personal pension scheme for individual employees.

(b) Employee costs

The Company had no employees during the period.

6 Finance income

Period from 8
December
2023 to 31
March 2025
£'000

Bank interest received	47
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NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025

7 Finance expense

	Period from 8 December 2023 to 31 March 2025 £'000
Other finance expense	155

8 Tax on loss

	Period from 8 December 2023 to 31 March 2025 £'000
Current tax:	
UK corporation tax on losses for the period	–
Current tax charge	–
Deferred tax:	
Origination and reversal of timing differences	–
Deferred tax charge	–
Tax on loss	–

Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 25%. The differences are explained below:

	Period from 8 December 2023 to 31 March 2025 £'000
Loss before tax	(108)
Loss before tax multiplied by UK weighted average rate of tax of 25%	(27)
Effects of:	
Effects of group relief / other reliefs	27
Total tax charge	–

There has been no change to the corporation tax rates for the financial period ended 31 March 2025. The prevailing rate of UK corporation tax for the period is therefore 25%.

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025

9 Dividends

	31 March 2025 £'000
Dividends of £1,330,000 per share were declared during the period	133,000

10 Investments

	Investments in subsidiaries £'000
Cost	
At 8 December 2023 (on incorporation)	–
Additions	149,574
Return of Capital	(133,000)
At 31 March 2025	16,574
Accumulated impairment	
At 8 December 2023 (on incorporation)	–
At 31 March 2025	–
Net book value	
At 31 March 2025	16,574

The list of subsidiaries and other related undertakings is as follows:

Subsidiaries

Name	Registered office	Class of shares	Holding	Principal activity
Net Zero North Sea Storage Limited	Chertsey Road, Sunbury On Thames, Middlesex, England, TW16 7BP	Ordinary	100.00%	Development, construction and future operation of a Carbon Capture and Storage (CCS) network

11 Trade and other payables

	31 March 2025 £'000
Amounts owed to group undertakings	108

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2025

12 Financial instruments

The Company's principal financial instruments are set out below and stated at their carrying values:

	31 March 2025 £'000
Liabilities at amortised cost:	
Trade and other payables	(108)

There were no significant differences between the carrying amounts and fair values of any of the financial liabilities in the Balance Sheet as at 31 March 2025.

Liquidity risk

The Company is supported by the parent undertakings. The directors monitor funding to ensure availability of required liquidity through cash management. It is the Company's policy to ensure adequate liquidity to satisfy its obligations.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

As at 31 March 2025	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities					
Trade and other payables	(108)	–	–	–	(108)

13 Share capital

	31 March 2025 £'000
Allotted and fully paid	
100 ordinary shares of £1 each	*_

* less than £1,000

During the period, a total of 149,574,364 ordinary shares of £1 each were allocated to the parent company at par value and settled in cash.

On 26 March 2025, the share capital of the Company was reduced by £149,574,264 by cancelling and extinguishing 149,574,264 ordinary shares of £1 each. £149,574,264 arising upon the capital reduction was credited to the profit and loss account of the Company.

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025

14 Reserves

Retained earnings

Retained earnings represents all net gains and losses and transactions with owners (e.g. dividends) that are not recognised elsewhere.

15 Net cash generated from operating activities

	31 March 2025 £'000
Loss before tax	(108)
Interest receivable and similar income	(47)
Interest payable and similar expenses	155
Increase in trade and other payables	108
Net cash generated from operating activities	108

16 Related party transactions

Key management personnel

During the period, key management personnel of the Company received total remuneration of £nil.

Other related party transactions

	31 March 2025 £'000
Net Zero North Sea Storage Limited	
Amount owed to subsidiary	(108)

On the 15th November 2024, amounts of £16,020,000, £16,020,000 and £3,560,000 were loaned to the company by the shareholders BP CCUS UK NEP Limited, Equinor Low Carbon UK Limited and TotalEnergies CCS UK Limited respectively. These loans bore interest at a rate of 4.65% and were repaid in full on the 20th December 2024.

17 Controlling party

Both the immediate and ultimate parent companies are BP CCUS UK NEP Limited, Equinor Low Carbon UK Limited and TotalEnergies CCS UK Limited which are registered in the United Kingdom and whose registered office addresses are Chertsey Road, Sunbury On Thames, Middlesex, England, TW16 7BP, 1 Kingdom Street, London, United Kingdom, W2 6BD and 19th Floor 10 Upper Bank Street, Canary Wharf, London, England, E14 5BF respectively.

There is no one ultimate controlling party.

Net Zero North Sea Storage Holdings Limited - FY25 SFS Final

Final Audit Report

2025-09-04

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By:	Matthew Budge (matthew.budge@nep-eastcoastcluster.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAE4v_fjK1Kc1zW8go96WqMYBalth0_7nm

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2025-09-04 - 2:26:47 PM GMT
-  Document emailed to pmcf@equinor.com for signature
2025-09-04 - 2:26:51 PM GMT
-  Email viewed by pmcf@equinor.com
2025-09-04 - 4:52:43 PM GMT
-  Signer pmcf@equinor.com entered name at signing as Peter McFadzean
2025-09-04 - 4:58:30 PM GMT
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