Registered number: 15336337

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

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NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED
COMPANY INFORMATION

Directors

G R Brown
L H Eldering
G Le Parc
Dr. P J McFadzean
R J Mortimer

Company secretary

D A Henry

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 YEAR ENDED 31 MARCH 2026

The Directors present their report and the audited financial statements for Net Zero North Sea Storage Holdings Limited (the "Company") for the year ended 31 March 2026.

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 Teesside and Humber - collectively known as the East Coast Cluster.

Business review

During the year, the Company continued to hold its investment in its wholly owned subsidiary Net Zero North Sea Storage Limited. 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 year, the Company declared that no dividend for the year ended 31 March 2026 would be paid (period from 8 December 2023 to 31 March 2025: £133,000,000).

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 be unable to meet its financial obligations as they fall due. The Company monitors liquidity risk through regular review of cash flow forecasts and funding requirements to ensure adequate funding is available for ongoing operations and future growth.

The Company is not significantly exposed to liquidity or cash flow risk as the Company receives financial support from its parent undertaking to meet its commitments.

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Company and mainly arises from cash and cash equivalents.

The Company is not significantly exposed to credit risk due to the nature of its business activities.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

In assessing the appropriateness of the going concern basis, management has considered the Company's current financial position, cash flow forecasts, available financing facilities and parent company guarantees in place for a period of at least 12 months from the date of approval of these financial statements. This assessment has included consideration of principal risks and uncertainties, the current economic environment and the Company's ability to manage its working capital and cost base.

Management have prepared forecasts which demonstrate that the Company is expected to meet its liabilities as they fall due.

Based on the results of this assessment, the Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing these 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 year and up to the date of signing the financial statements, unless otherwise stated, were:

G R Brown	(appointed 1 October 2025)
L H Eldering	
T J Kabir	(resigned 1 October 2025)
G Le Parc	
Dr. P J McFadzean	
R J Mortimer	(appointed 1 June 2026)
A A A Nabeeh	(resigned 1 June 2026)

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 year and remain in force at the date of this report.

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 year as the auditor to the Company for the year ended 31 March 2026 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.

Approved by the Board and signed on its behalf by:



Dr. P J McFadzean
Director

Date: 29 September 2026

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2026

The Directors are responsible for preparing the annual 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 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 UK-adopted 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 AUDITOR'S REPORT TO THE MEMBERS OF NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2026 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Net Zero North Sea Storage Holdings Limited ("the Company") for the year ended 31 March 2026 which comprise of the following:

- Statement of profit or loss
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report and financial statements, 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.

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. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and 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 and 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, health and safety including the financial reporting framework.

Our procedures in respect of the above included:

- Enquiries of management whether there were any litigations and claims;
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

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

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiries with management and 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 management bias regarding key accounting estimates and judgments.

Our procedures in respect of the above included:

- Testing journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- Testing a sample of the residual population of journals not meeting the defined risk criteria by agreeing to supporting documentation;
- Obtaining 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 obtaining an understanding of the segregation of duties in these processes; and
- Challenging assumptions, estimates and judgements made by management 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.

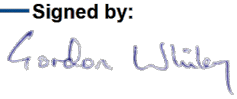
A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S 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:



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

Date: 29 September 2026

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

FOR THE YEAR ENDED 31 MARCH 2026

	Note	Year ended 31 March 2026 £	Period from 8 December 2023 to 31 March 2025 £
Administrative expenses		**(364)**	(76)
Operating loss		**(364)**	(76)
Finance income	6	**7**	47,332
Finance expense	7	**–**	(155,496)
Loss before tax		**(357)**	(108,240)
Tax on loss	8	**–**	–
Loss for the financial year/period		**(357)**	(108,240)

There is no comprehensive income attributable to the shareholders of the Company other than the loss for the financial year 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

STATEMENT OF FINANCIAL POSITION

REGISTERED NUMBER: 15336337

AS AT 31 MARCH 2026

	Note	31 March 2026 £	31 March 2025 £
Non-current assets			
Investments	10	**16,574,364**	16,574,364
Total non-current assets		**16,574,364**	16,574,364
Current assets			
Cash and cash equivalents	11	**846**	204
Total current assets		**846**	204
Total assets		**16,575,210**	16,574,568
Current liabilities			
Trade and other payables	12	**(109,443)**	(108,444)
Total current liabilities		**(109,443)**	(108,444)
Net assets		**16,465,767**	16,466,124
Equity			
Share capital	14	**100**	100
Retained earnings	15	**16,465,667**	16,466,024
Total equity		**16,465,767**	16,466,124

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:



Dr. P J McFadzean
Director

Date: 29 September 2026

NET ZERO NORTH SEA STORAGE HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026

	Called up share capital £	Retained earnings £	Total equity £
At 8 December 2023 (on incorporation)	–	–	–
Comprehensive expense:			
Loss for the financial period	–	(108,240)	**(108,240)**
Transactions with owners:			
Issue of share capital	149,574,364	–	**149,574,364**
Reduction in share capital	(149,574,264)	149,574,264	–
Dividend paid (note 9)	–	(133,000,000)	**(133,000,000)**
At 31 March 2025 and 1 April 2025	**100**	**16,466,024**	**16,466,124**
Comprehensive expense:			
Loss for the financial year	–	(357)	**(357)**
At 31 March 2026	**100**	**16,465,667**	**16,465,767**

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 YEAR ENDED 31 MARCH 2026

	Note	Year ended 31 March 2026 £	Period from 8 December 2023 to 31 March 2025 £
Net cash generated from operating activities	16	**635**	108,368
Cash flow from investing activities			
Investments in subsidiary	10	**–**	(149,574,000)
Return of capital from subsidiary	10	**–**	133,000,000
Finance income	6	**7**	47,332
Net cash generated from/(used in) investing activities		**7**	(16,526,668)
Cash flow from financing activities			
Finance expense	7	**–**	(155,496)
Dividends paid	9	**–**	(133,000,000)
Proceeds from issue of ordinary share capital	14	**–**	149,574,000
Net cash generated from financing activities		**–**	16,418,504
Net increase in cash and cash equivalents		**642**	204
Cash and cash equivalents at the beginning of financial year/period		**204**	**–**
Cash and cash equivalents at the end of financial year/period		**846**	204

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

1 General information

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 Teesside and Humber - collectively known as the East Coast Cluster.

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 Material accounting policies

The material 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 ("Adopted IFRSs").

The preparation of financial statements in conformity with adopted IFRSs requires the use of certain critical accounting estimates. It also requires management 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 year:

In the current year, the Company has applied the following amendments to adopted IFRSs that are mandatorily effective for an accounting year that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- 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:

- 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 Statements (effective 1 January 2027).

2 Material accounting policies (continued)

2.2 New standards, amendments and IFRIC interpretations (continued)

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (effective 1 January 2027).
- IFRS 19, Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027).

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting years and on foreseeable future transactions.

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future years.

2.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

In assessing the appropriateness of the going concern basis, management has considered the Company's current financial position, cash flow forecasts, available financing facilities and parent company guarantees in place for a period of at least 12 months from the date of approval of these financial statements. This assessment has included consideration of principal risks and uncertainties, the current economic environment and the Company's ability to manage its working capital and cost base.

Management have prepared forecasts which demonstrate that the Company is expected to meet its liabilities as they fall due.

Based on the results of this assessment, the Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

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

2.4 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.

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

2 Material accounting policies (continued)

2.5 Taxation

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

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 year. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

The Directors periodically evaluate 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.

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

2.6 Investments

Investment in subsidiaries

Investments in subsidiaries are held at cost. The Company assesses investments for any impairment indicators 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 year 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 Material accounting policies (continued)

2.7 Cash and cash equivalents

Cash and cash equivalents include cash at bank.

2.8 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 year which are unpaid. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting year. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3 Critical accounting judgements and estimation uncertainty

In applying the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, other than those involving estimations, that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

i. Impairment of investments

The Company's principal asset is its investment in subsidiaries with a carrying value of £16,574,364 at the reporting date. The Directors have exercised judgement in assessing whether there are indicators of impairment in respect of this investment. This assessment considered the financial performance, net asset position and future prospects of the underlying subsidiary.

Based on the assessment performed, the Directors concluded that no indicators of impairment existed at the reporting date and accordingly no impairment review was required and no impairment charge has been recognised in the year.

Key sources of estimation uncertainty

The Directors have considered whether there are any key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that could give rise to a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Directors have concluded that there are no material sources of estimation uncertainty requiring disclosure in these financial statements.

4 Auditor's 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 year.

6 Finance income

	Year ended 31 March 2026	Period from 8 December 2023 to 31 March 2025
	£	£
Bank interest received	**7**	47,332

7 Finance expense

	Year ended 31 March 2026	Period from 8 December 2023 to 31 March 2025
	£	£
Other finance expense	**–**	155,496

8 Tax on loss

	Year ended 31 March 2026 £	Period from 8 December 2023 to 31 March 2025 £
Current tax		
UK corporation tax on losses for the year/period	**–**	–
Current tax charge	**–**	–
Deferred tax		
Origination and reversal of timing differences	**–**	–
Deferred tax charge	**–**	–
Total tax charge for the year/period	**–**	–

Factors affecting the tax charge for the year/period

The tax assessed for the year is higher than (period from 8 December 2023 to 31 March 2025: higher than) the standard rate of corporation tax in the UK of 25% (period from 8 December 2023 to 31 March 2025: 25%). The differences are explained below:

	Year ended 31 March 2026 £	Period from 8 December 2023 to 31 March 2025 £
Loss before tax	**(357)**	(108,240)
Loss before tax at standard UK rate of 25% (period from 8 December 2023 to 31 March 2025: 25%)	**(89)**	(27,060)
Effects of:		
Effects of group relief / other reliefs	**89**	27,060
Total tax charge for the year/period	**–**	–

9 Dividends

	Year ended 31 March 2026 £	Period from 8 December 2023 to 31 March 2025 £
Dividends paid	**–**	133,000,000

10 Investments

	Investments in subsidiaries
	£
Cost	
At 1 April 2025	16,574,364
At 31 March 2026	**16,574,364**
Accumulated impairment	
At 1 April 2025	–
At 31 March 2026	–
Net book value	
At 31 March 2026	**16,574,364**
At 31 March 2025	16,574,364

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%	Development, construction and future operation of a Carbon Capture and Storage (CCS) network

11 Cash and cash equivalents

	31 March 2026	31 March 2025
	£	£
Cash at bank and in hand	**846**	204

12 Trade and other payables

	31 March 2026	31 March 2025
	£	£
Amounts owed to group undertakings	**109,443**	108,444

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

13 Financial instruments

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

	31 March 2026	31 March 2025
	£	£
Liabilities at amortised cost:		
Trade and other payables	**(109,443)**	(108,444)

There were no significant differences between the carrying amounts and fair values of any of the financial liabilities in the Statement of Financial Position as at 31 March 2026.

Liquidity risk

Management monitors 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 2026	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	£	£	£	£	£
Financial liabilities					
Trade and other payables	(109,443)	–	–	–	(109,443)

As at 31 March 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	£	£	£	£	£
Financial liabilities					
Trade and other payables	(108,444)	–	–	–	(108,444)

14 Share capital

	31 March 2026	31 March 2025
	£	£
Allotted and fully paid		
100 (2025: 100) ordinary shares of £1 each	**100**	100

15 Reserves

Retained earnings

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

16 Net cash generated from operating activities

	Year ended 31 March 2026 £	Period from 8 December 2023 to 31 March 2025 £
Loss before tax	**(357)**	(108,240)
Finance income	**(7)**	(47,332)
Finance expense	**–**	155,496
Increase in trade and other payables	**999**	108,444
Net cash generated from operating activities	**635**	108,368

17 Related party transactions

Key management personnel

During the year, key management personnel of the Company received total remuneration of £nil (period from 8 December 2023 to 31 March 2025: £nil).

Other related party transactions

	31 March 2026 £	31 March 2025 £
Net Zero North Sea Storage Limited		
Amount owed to subsidiary	**109,443**	108,444

18 Controlling party

The Company's shareholders are BP CCUS UK NEP Limited, Equinor Low Carbon UK Limited and TotalEnergies CCS UK Limited, all of which are incorporated in the United Kingdom and have registered office addresses at 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.

The Company is jointly controlled by these shareholders under the terms of the shareholder arrangements. Accordingly, there is no single ultimate controlling party.