

Registration number: 2366867

UK Power Networks Services (South East) Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2023

FRIDAY



ACA6GTKG

A15

18/08/2023

#79

COMPANIES HOUSE

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

CONTENTS

	Page
Company Information	1
Strategic Report	2 to 4
Directors' Report	5
Statement of Directors' Responsibilities	6
Profit and Loss Account	7
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 18

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

COMPANY INFORMATION

Directors Andrew John Hunter
 Basil Scarsella
 Loi Shun Chan

Company Secretary Andrew Pace

Registered office Newington House
 237 Southwark Bridge Road
 London
 SE1 6NP
 United Kingdom

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their Strategic Report for the year ended 31 March 2023.

Principal activity

The principal activity of UK Power Networks Services (South East) Limited (the "Company") is the provision of property services and the holding of investments for the UK Power Networks Group ("the Group") which owns and operates electricity distribution networks in London, the South East and East of England, serving over eight million connected homes and businesses.

The Company's subsidiary and joint venture investments are listed in note 10.

Review of the business

The results for the year amounted to a profit before taxation of £1.8m (2022: £0.1m) and a profit after taxation of £0.7m (2022: loss of £0.2m).

No dividends were paid during the year (2022: £nil).

Key performance indicators (KPIs)

The key performance indicators used by the Board of Directors in their monitoring of the Company include:

	2023 £ m	2022 £ m
Financial performance		
Turnover	0.9	0.8
EBITDA (Profit before interest, tax, depreciation and amortisation)	<u>1.9</u>	<u>0.6</u>

Financial performance indicators represent the key financial metrics that reflect the financial health of the business.

Compared to the prior year, turnover has increased by £0.1m to £0.9m and EBITDA has increased by £1.3m to £1.9m. The significant increase in EBITDA is due to the reversal of accruals for property delapidation costs, following the renewal of related lease agreements (see note 5 to the financial statements).

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Key performance indicators (KPIs) continued

EBITDA as an alternative performance measure

The EBITDA measure excludes the effect of interest, taxation, depreciation and amortisation from earnings and thus reflects the operational performance of the business. The closest statutory measure is operating profit which is reconciled to EBITDA as follows:

	2023 £m	2022 £m
Operating profit	1.5	0.1
Depreciation of tangible fixed assets (note 5)	0.4	0.5
EBITDA	1.9	0.6

Operating profit is presented within the profit and loss statement and depreciation is disclosed in note 5 to the financial statements. Removing the effect of depreciation and amortisation from operating profit provides a clearer measure of operating efficiencies within the business.

Principal risks and uncertainties

The Group observes formal risk management policies and procedures and promotes a robust control environment at all levels of the organisation. A risk management framework designed to assess, mitigate, monitor and report risks is implemented on a Group wide basis. A sub-committee of the Group Board, the Risk Management and Compliance Committee, oversees the risk management function and makes annual assessments of changes to significant risks and the effectiveness of the risk management processes.

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund financial obligations as they fall due. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the most relevant financial risks are credit and liquidity risk.

The Company's exposure to credit and liquidity risk is reduced as it is a wholly owned subsidiary of the UK Power Networks Holdings Group of companies. Credit risk is mitigated by the nature of the debtor balances owed with these being due from other Group companies of strong financial standing. In addition, the liquidity risk is mitigated by the strong financial standing of the Group which operates pooled treasury arrangements which the Company has access to.

Future developments

The Directors do not foresee any change in the activities of the Company and expect it to continue providing property services and holding investments for the UK Power Networks group, going forward.

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Going concern

At 31 March 2023 the Company has net current liabilities of £686.6m. The net current liability position arises primarily from a long-standing debt of £910.0m due to its directly owned subsidiary UK Power Networks Services (Development) Limited, which is interest free and repayable on demand. The Directors do not consider there to be a going concern risk for the following reasons:

- The subsidiary UK Power Networks Services (Development) Limited has a stable financial position with no liabilities and therefore is unlikely to demand repayment for the longstanding loan of £910.0m in the foreseeable future;
- The Company has no interest bearing debt or covenant obligations with third parties outside the Group;
- The Company has an overall net asset position of £239.6m at 31 March 2023; and
- The Company performs essential services for the UK Power Networks group. The immediate parent UK Power Networks Services Holdings Limited has confirmed that it will provide the necessary support to enable the Company to meet its obligations when they fall due for a period not less than twelve months from the date of approval of these financial statements.

On the basis of their assessment of the Company's financial position and of the enquiries made to the Directors of UK Power Networks Services Holdings Limited, the Company's Directors have a reasonable expectation that the Company will be able to continue operating for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board on 14 August 2023 and signed on its behalf by:



Basil Scarsella
Director

Newington House
237 Southwark Bridge Road
London
SE1 6NP
United Kingdom

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their Annual Report and the Unaudited Financial Statements of the Company for the year ended 31 March 2023. Details of the Company's risk management objectives and policies, future developments and going concern are included in the Strategic Report and form part of this report by cross reference.

Political contributions

The Company made no political donations in the current or prior year.

Director of the Company

The Directors who held office during the year were as follows:

Andrew John Hunter

Basil Scarsella

Loi Shun Chan

None of the Directors had a service contract with the Company in the current or prior year.

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Exemption from audit

For the year ended 31 March 2023, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Approved by the Board on 14 August 2023 and signed on its behalf by:



Basil Scarsella
Director

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors acknowledge their responsibilities 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 to 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.

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £ m	2022 £ m
Turnover	4	0.9	0.8
Operating income/(costs)		<u>0.6</u>	<u>(0.7)</u>
Operating profit	5	1.5	0.1
Interest receivable and similar income		<u>0.3</u>	<u>-</u>
Profit before tax		1.8	0.1
Taxation	8	<u>(1.1)</u>	<u>(0.3)</u>
Profit/(loss) for the year		<u>0.7</u>	<u>(0.2)</u>

The above results were derived from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	2023 £ m	2022 £ m
Profit/(loss) for the year	<u>0.7</u>	<u>(0.2)</u>
Total comprehensive income/(loss) for the year	<u>0.7</u>	<u>(0.2)</u>

The notes on pages 10 to 18 form an integral part of these financial statements.


UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

BALANCE SHEET AS AT 31 MARCH 2023

	Note	2023 £ m	2022 £ m
Fixed Assets			
Tangible assets	9	7.0	7.4
Investments	10	<u>919.2</u>	<u>919.2</u>
		<u>926.2</u>	<u>926.6</u>
Current assets			
Debtors falling due within one year	11	280.1	280.1
Cash at bank and in hand		<u>17.9</u>	<u>17.2</u>
		298.0	297.3
Creditors: Amounts falling due within one year	12	<u>(984.6)</u>	<u>(985.0)</u>
Net current liabilities		<u>(686.6)</u>	<u>(687.7)</u>
Total assets less current liabilities		<u>239.6</u>	<u>238.9</u>
Net assets		<u>239.6</u>	<u>238.9</u>
Capital and reserves			
Called up share capital	13	125.8	125.8
Share premium account	13	7.8	7.8
Capital redemption reserve	13	6.8	6.8
Profit and loss account	13	<u>99.2</u>	<u>98.5</u>
Total shareholders' funds		<u>239.6</u>	<u>238.9</u>

For the financial year ended 31 March 2023, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 ("the Act") relating to subsidiary companies. The sole shareholder has not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. Accordingly, these financial statements have not been audited. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of UK Power Networks Services (South East) Limited, registered number 2366867, were approved by the Board of Directors and authorised for issue on 14 August 2023. They were signed on its behalf by:



Basil Scarsella
Director

The notes on pages 10 to 18 form an integral part of these financial statements.

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £ m	Share premium account £ m	Capital redemption reserve £ m	Profit and loss account £ m	Total £ m
At 1 April 2021	<u>125.8</u>	<u>7.8</u>	<u>6.8</u>	<u>98.7</u>	<u>239.1</u>
Loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.2)</u>	<u>(0.2)</u>
Total comprehensive loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.2)</u>	<u>(0.2)</u>
At 31 March 2022	<u>125.8</u>	<u>7.8</u>	<u>6.8</u>	<u>98.5</u>	<u>238.9</u>

	Called up share capital £ m	Share premium account £ m	Capital redemption reserve £ m	Profit and loss account £ m	Total £ m
At 1 April 2022	<u>125.8</u>	<u>7.8</u>	<u>6.8</u>	<u>98.5</u>	<u>238.9</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.7</u>	<u>0.7</u>
Total comprehensive gain	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.7</u>	<u>0.7</u>
At 31 March 2023	<u>125.8</u>	<u>7.8</u>	<u>6.8</u>	<u>99.2</u>	<u>239.6</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 General information

UK Power Networks Services (South East) Limited (the "Company") is incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales.

The principal activities of the Company and the nature of the Company's operations are set out in the Strategic Report on pages 2 to 4.

The address of its registered office is:

Newington House
237 Southwark Bridge Road
London
SE1 6NP
United Kingdom

2 Accounting policies

The principal accounting policies adopted by the Company are set out below. They have all been applied consistently throughout the current and prior year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council (FRC).

The functional currency of the Company is pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has taken advantage of certain exemptions in its financial statements on the basis that it meets the definition of a "qualifying entity" under FRS 102 being:

"a member of a group where the parent of that Group (UK Power Networks Holdings Limited) prepares publicly available consolidated financial statements which are intended to give a true and fair view and the member (the Company) is included in the consolidation".

The Company has therefore taken the exemption not to present a cash flow statement and not to disclose related party transactions with other wholly owned members of the Group.

Consolidation

The Company is exempt from preparing consolidated financial statements as it is a wholly owned subsidiary of UK Power Networks Holdings Ltd which prepares consolidated financial statements which include the results of the Company and are publicly available.

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

Going concern

At 31 March 2023 the Company has net current liabilities of £686.6m. The net current liability position arises primarily from a long-standing debt of £910.0m due to its directly owned subsidiary UK Power Networks Services (Development) Limited, which is interest free and repayable on demand. The Directors do not consider there to be a going concern risk for the following reasons:

- The subsidiary UK Power Networks Services (Development) Limited has a stable financial position with no liabilities and therefore is unlikely to demand repayment for the longstanding loan of £910.0m in the foreseeable future;
- The Company has no interest bearing debt or covenant obligations with third parties outside the Group;
- The Company has an overall net asset position of £239.6m at 31 March 2023; and
- The Company performs essential services for the UK Power Networks group. The immediate parent UK Power Networks Services Holdings Limited has confirmed that it will provide the necessary support to enable the Company to meet its obligations when they fall due for a period not less than twelve months from the date of approval of these financial statements.

On the basis of their assessment of the Company's financial position and of the enquiries made to the Directors of UK Power Networks Services Holdings Limited, the Company's Directors have a reasonable expectation that the Company will be able to continue operating for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

Investments

Fixed asset investments are shown at cost less provision for impairment. Income received from fixed asset investments is recognised on an accruals basis.

Tangible assets

Tangible assets are stated at historical cost, net of depreciation and provision for impairment. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Depreciation rate
Furniture, fixtures and equipment	3 to 10 years
Land	Not depreciated
Buildings	40 years

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, even if the payments are not made on such a basis.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is provided for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses. Provision is made for gains on re-valued fixed assets only where there is a commitment to dispose of the re-valued assets and the attributable gain can neither be rolled over nor eliminated by capital losses.

Deferred tax is measured on an undiscounted basis using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and that are expected to apply to the reversal of the timing difference.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors may be required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience or other factors that are considered to be relevant. Actual results might differ from these estimates.

In the Directors' opinion there are no critical judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in these financial statements.

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4 Turnover

Turnover, which is stated net of value added tax, arises entirely in the United Kingdom and is attributable to the continuing activities of property management services.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and to the extent that it can be measured reliably.

Turnover for the year comprised operating lease rental income of £0.9m (2022: £0.8m).

5 Operating profit

Arrived at after charging/(crediting):

	2023 £ m	2022 £ m
Depreciation expense	0.4	0.5
Reversal of property delapidation costs ¹	<u>(1.4)</u>	<u>-</u>

¹ During the year the Company was released from certain obligations relating to property delapidations, following the renewal of lease agreements. The reversal of costs accrued for potential property delapidation repairs resulted in £1.4m credited to operating profit.

6 Directors' remuneration and employee information

The Directors are not employed by the Company and did not receive any remuneration for services to the Company during the current or prior year.

The Company had no employees in the current or prior year.

7 Auditors' remuneration

No fees were payable in relation to the audit of the Company's annual accounts for the year ended 31 March 2023 due to the Company utilising the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Auditor's remuneration in the prior year was borne by another group company and amounted to £6,900 payable to Deloitte LLP for the audit of the annual accounts. Amounts payable to Deloitte LLP in respect of non-audit services were £Nil in the current and the prior year.

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8 Taxation

Tax charged to the profit and loss account

	2023 £ m	2022 £ m
Current taxation		
UK corporation tax	<u>1.1</u>	<u>0.3</u>
Total current taxation	1.1	0.3
Deferred taxation		
Total deferred taxation	<u>-</u>	<u>-</u>
Total tax charge	<u>1.1</u>	<u>0.3</u>

The total tax assessed for the year was higher than the standard rate of 19% (2022: 19%) applied to profit before tax. The differences are reconciled below:

	2023 £ m	2022 £ m
Profit before tax	<u>1.8</u>	<u>0.1</u>
Corporation tax at standard rate	0.3	-
Expenses not deductible for tax purposes	<u>0.8</u>	<u>0.3</u>
Total tax charge	<u>1.1</u>	<u>0.3</u>

Tax rate changes

The current tax rate applied during the year was 19% (2022: 19%) based on the standard rate of corporation tax substantively enacted at the reporting date.

The standard rate of corporation tax increased from 19% to 25% with effect from 1 April 2023, as substantively enacted in the Finance Bill 2021 on 24 May 2021. This rate increase had no effect on the tax charge for the year ended 31 March 2023.

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

9 Tangible assets

	Land and buildings £ m	Furniture, fittings and equipment £ m	Total £ m
Cost			
At 1 April 2022	17.6	0.2	17.8
At 31 March 2023	17.6	0.2	17.8
Depreciation			
At 1 April 2022	10.2	0.2	10.4
Charge for the year	0.4	-	0.4
At 31 March 2023	10.6	0.2	10.8
Net book value			
At 31 March 2023	7.0	-	7.0
At 31 March 2022	7.4	-	7.4

The net book value of land and buildings comprises land at £0.3m (2022: £0.3m) and buildings at £6.7m (2022: £7.1m).

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

10 Fixed asset investments

	2023 £ m	2022 £ m
Investments in subsidiaries and joint ventures	<u>919.2</u>	<u>919.2</u>

The Company has investments in the following subsidiaries and joint ventures:

	Principal activity	%
Subsidiaries - Directly held		
UK Power Networks Services (Development) Ltd	Investment holding	100%
Subsidiaries - Indirectly held		
UK Power Networks Services (Asset Management) Ltd	Investment holding	100%
UK Power Networks Services (Commercial) Ltd	Electrical contracting	100%
UK Power Networks Services (Powerlink Holdings) Ltd	Investment holding	100%
UK Power Networks Services Powerlink Ltd	Non trading	100%
Power Asset Development Company Ltd	Non trading	100%
Joint venture - Indirectly held		
MUJV Ltd	Utility infrastructure management	49.9%

The joint venture MUJV Ltd is registered at:

Aspire Business Centre
Ordnance Road
Tidworth
Wiltshire
SP9 7QD
United Kingdom

All other entities listed above are registered at:

Newington House
237 Southwark Bridge Road
London
SE1 6NP
United Kingdom

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

11 Debtors

	2023 £ m	2022 £ m
Amounts falling due within one year:		
Amounts owed by Group undertakings	280.0	280.0
Deferred tax assets	0.1	0.1
	<u>280.1</u>	<u>280.1</u>

Amounts owed by Group undertakings are interest free and repayable on demand.

12 Creditors

	2023 £ m	2022 £ m
Amounts falling due within one year:		
Amounts owed to Group undertakings	983.0	983.0
Corporation tax	1.3	0.4
Accruals and deferred income	0.3	1.6
	<u>984.6</u>	<u>985.0</u>

Amounts owed to Group undertakings are interest free and repayable on demand.

13 Called up share capital and reserves

	2023 £ m	2022 £ m
Share capital: Allotted, called up and fully paid		
251,693,703 ordinary shares of £0.50 each	<u>125.8</u>	<u>125.8</u>

Reserves

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

The capital redemption reserve represents the value of historical repurchases of the Company's own share capital.

The profit and loss account represents cumulative profits or losses, net of dividends paid.

UK POWER NETWORKS SERVICES (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

14 Related party transactions

The Company has taken an exemption under FRS 102 (section 33 2.2) not to disclose transactions with other wholly owned members of the Group. The Company qualifies for this exemption on the basis that it is a wholly owned subsidiary of a parent which prepares publicly available consolidated financial statements intended to give a true and fair view of the financial position and results of the Group, and the Company is included within the consolidation. No other related party transactions were entered into during the current or prior year.

15 Parent and ultimate parent undertaking

The Company's immediate parent is UK Power Networks Services Holdings Limited, incorporated in the United Kingdom and registered in England and Wales at the following address:

Newington House
237 Southwark Bridge Road
London
SE1 6NP

UK Power Networks Services Holdings Limited is the parent of the smallest group in which the Company's financial statements are consolidated.

The ultimate controlling party and parent of the largest group in which the Company's financial statements are consolidated is UK Power Networks Holdings Limited, incorporated in the United Kingdom and registered in England and Wales at the above address.

Copies of the financial statements of UK Power Networks Holdings Limited and UK Power Networks Services Holdings Limited may be obtained from the Company Secretary at Energy House, Carrier Business Park, Hazelwick Avenue, Three Bridges, Crawley, West Sussex, RH10 1EX.

UK Power Networks Holdings Limited is owned by a consortium comprising:

- **CK Infrastructure Holdings Limited** (40% shareholding) incorporated in Bermuda;
- **Power Assets Holdings Limited** (40% shareholding) incorporated in Hong Kong; and
- **CK Asset Holdings Limited** (20% shareholding) incorporated in the Cayman Islands.

In the Directors' opinion, UK Power Networks Holdings Limited has no single controlling party as it is jointly controlled by the consortium.