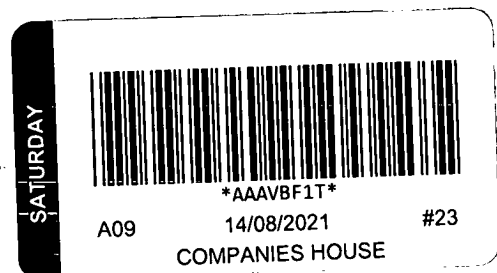


Registration number: 6573825

UK Power Networks (IDNO Finance) Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2021



UK POWER NETWORKS (IDNO FINANCE) LIMITED

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UK POWER NETWORKS (IDNO FINANCE) 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

Auditor Deloitte LLP
 Statutory Auditor
 1 New Street Square
 London
 EC4A 3HQ
 United Kingdom

UK POWER NETWORKS (IDNO FINANCE) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors present their Annual Report including the Audited Financial Statements of the Company for the year ended 31 March 2021. The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 415(A) of the Companies Act 2006.

Ownership

The Company is a wholly owned subsidiary of the group headed by UK Power Networks Holdings Limited (the "Group"), which owns and operates electricity distribution networks in London, the South East and East of England serving over eight million homes and businesses.

Review of the business

The profit for the year before and after taxation was £nil (2020: £209,000). There were no dividends paid during the year (2020: £210,000).

The Company is the holding company of UK Power Networks (IDNO) Limited which constructed and operated the electricity distribution network for the 2012 Olympic and Paralympic games. The network assets have since been transferred to a fellow subsidiary London Power Networks plc which now receives the distribution revenue from the network.

Political contributions

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

Directors 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.

Future developments and going concern

At 31 March 2021 no assets or liabilities remained in the Company apart from the £1 investment in the subsidiary UK Power Networks (IDNO) Limited and £1 of ordinary share capital. The Directors intend keeping the Company and its subsidiary UK Power Networks (IDNO) Limited in existence as dormant companies with the possibility that they may become active again in the future.

As the Company has currently ceased trading, these financial statements are prepared on a basis other than that of a going concern. No adjustments have arisen as a result of ceasing to apply the going concern basis.

UK POWER NETWORKS (IDNO FINANCE) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Auditor

Each of the persons who is a director of the Company at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Auditor, Deloitte LLP, is deemed reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 11 August 2021 and signed on its behalf by:



Basil Scarsella
Director

UK POWER NETWORKS (IDNO FINANCE) 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). 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 (IDNO FINANCE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK POWER NETWORKS (IDNO FINANCE) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of UK Power Networks (IDNO Finance) Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 11 including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 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 Financial Reporting Council's (the "FRC's") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern.

Our opinion is not modified in respect of this matter.

UK POWER NETWORKS (IDNO FINANCE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK POWER NETWORKS (IDNO FINANCE) LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Responsibilities of directors

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

UK POWER NETWORKS (IDNO FINANCE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK POWER NETWORKS (IDNO FINANCE) LIMITED

Extent to which the audit was considered 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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team and relevant internal specialists such as tax, valuations, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports, and reviewing correspondence with HMRC.

UK POWER NETWORKS (IDNO FINANCE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK POWER NETWORKS (IDNO FINANCE) LIMITED

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 take advantage of the small companies exemption from preparing a Strategic Report and in preparing the Directors' Report.

We have nothing to report in respect of these matters.

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.



.....
Makhan Chahal (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

London
United Kingdom

11 August 2021

UK POWER NETWORKS (IDNO FINANCE) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £ 000	2020 £ 000
Dividend received from subsidiary		<u>-</u>	<u>209</u>
Profit before tax		-	209
Taxation	6	<u>-</u>	<u>-</u>
Profit for the year		<u>-</u>	<u>209</u>

The above results were derived from discontinued operations.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	2021 £ 000	2020 £ 000
Profit for the year	<u>-</u>	<u>209</u>
Total comprehensive income for the year	<u>-</u>	<u>209</u>

The notes on pages 12 to 15 form an integral part of these financial statements.

UK POWER NETWORKS (IDNO FINANCE) LIMITED

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Investments	7	-	-
Capital and reserves			
Called up share capital	8	-	-
Total shareholders' funds		-	-

The financial statements of UK Power Networks (IDNO Finance) Limited, registered number 6573825, were approved by the Board of Directors and authorised for issue on 11 August 2021. They were signed on its behalf by:



Basil Scarsella
Director

The notes on pages 12 to 15 form an integral part of these financial statements.

UK POWER NETWORKS (IDNO FINANCE) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2019	-	1	1
Profit for the year	-	209	209
Total comprehensive income	-	209	209
Dividends	-	(210)	(210)
At 31 March 2020	-	-	-

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2020	-	-	-
Profit/(loss) for the year	-	-	-
Total comprehensive income	-	-	-
At 31 March 2021	-	-	-

The notes on pages 12 to 15 form an integral part of these financial statements.

UK POWER NETWORKS (IDNO FINANCE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 General information

UK Power Networks (IDNO Finance) 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 Directors' Report on pages 2 to 3.

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.

Going concern

At 31 March 2021 no assets or liabilities remained in the Company apart from the £1 investment in the subsidiary UK Power Networks (IDNO) Limited and £1 of ordinary share capital. The Directors intend keeping the Company and its subsidiary UK Power Networks (IDNO) Limited in existence as dormant companies with the possibility that they may become active again in the future. As the Company has currently ceased trading, these financial statements are prepared on a basis other than that of a going concern. No adjustments have arisen as a result of ceasing to apply the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2 Accounting policies (continued)

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.

Investments

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

Tax

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.

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.

4 Auditor's remuneration

The amount payable to Deloitte LLP was £7,000 (2020: £7,600) in respect of audit services and £Nil (2020: £Nil) in respect of non-audit services. Auditor's remuneration was borne in both years by another group company.

5 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.

6 Taxation

The taxable profit and therefore the tax charge in the current and prior year were £Nil.

UK POWER NETWORKS (IDNO FINANCE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7 Fixed asset investments

	2021 £	2020 £
Investment in subsidiary	<u>1</u>	<u>1</u>

The Company has the following subsidiary:

Subsidiary	Principal activity	%
UK Power Networks (IDNO) Ltd	Electricity distributor	100%

UK Power Networks (IDNO) Limited is registered at the following address:

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

8 Called up share capital and reserves

	2021 £	2020 £
Share capital: Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

Reserves

The Company's profit and loss account represents cumulative profits or losses net of dividends paid.

9 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.

UK POWER NETWORKS (IDNO FINANCE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10 Parent and ultimate parent undertaking

The Company's immediate parent is UK Power Networks 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 Holdings Limited is the parent of both the smallest and largest group in which the Company's financial statements are consolidated. Copies of the financial statements of UK Power Networks 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 ¹ (40% shareholding);
- Power Assets Holdings Limited ² (40% shareholding); and
- Li Ka-Shing Foundation Limited ² (20% shareholding) until 21 May 2021. Subsequent to that date, this share was held by CK Asset Holdings Limited ³ (as disclosed in note 11).

¹ Incorporated in Bermuda

² Incorporated in Hong Kong

³ 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.

11 Subsequent events

Change in ownership

On 21 May 2021 the 20% share of the Group held by Li Ka-Shing Foundation Limited (as disclosed in note 10 above) was transferred to CK Asset Holdings Limited, a company incorporated in the Cayman Islands.