

Company registration number 11132956 (England and Wales)

GRAFTON UNDERWOOD SOLAR LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

GRAFTON UNDERWOOD SOLAR LIMITED

COMPANY INFORMATION

Directors	James Malcolm Paterson	
	Blair James Cruikshank	(Appointed 21 August 2023)
	Ross Colin Galbraith	(Appointed 21 August 2023)
Secretary	Anna Steen	
Company number	11132956	
Registered office	4th Floor 1 Tudor Street London UK EC4Y 0AH	
Auditor	Consilium Audit Limited 169 West George Street Glasgow Scotland G2 2LB	

GRAFTON UNDERWOOD SOLAR LIMITED

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GRAFTON UNDERWOOD SOLAR LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present their financial report and financial statements for the period ended 31 December 2022. This report has been prepared in accordance with the special provisions relating to small-sized companies under section 415A of the Companies Act 2006. The directors have taken advantage of the small companies' exemption provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

Principal activities

The principal activity of Grafton Underwood Solar Limited (previously known as EEB28 Limited) ("the company"), registered company number 11132956, is the development of the Grafton Underwood solar plant. This activity will continue for the foreseeable future.

The company is wholly owned by ScottishPower Renewables (UK) Limited ("SPRUKL"). SPRUKL is a member of the Scottish Power Limited group of companies ("ScottishPower"), which is headed by Scottish Power Limited ("SPL") in the United Kingdom ("UK"). The ultimate parent of the company is Iberdrola, S.A. ("Iberdrola").

Results and dividends

The results for the period are set out on page 6.

No dividend was paid during the current or prior periods.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

James Malcolm Paterson	
Blair James Cruikshank	(Appointed 21 August 2023)
Ross Colin Galbraith	(Appointed 21 August 2023)
Yusuf Patel	(Resigned 1 May 2023)
Heather Chalmers White	(Resigned 21 August 2023)

Qualifying third party indemnity provisions

In terms of the company's Articles of Association, a qualifying third party indemnity provision is in force for the benefit of all the directors of the company and has been in force during the financial year.

Financial instruments

The company's principal financial instruments are included in the statement of financial position. The principal financial risks to which the company is exposed to are liquidity and interest rate risk.

Liquidity risk

The company's liquidity position and short-term financing activities are integrated and aligned with Iberdrola's. Liquidity risk, the risk that the company will have insufficient funds to meet its liabilities, is managed by ScottishPower's Treasury department who are responsible for arranging banking facilities on behalf of the SPL Group. SPL is the principal counterparty for the loan balances due.

Interest rate risk

The company is exposed to interest rate risk on the variable rate loans which are in place with SPL.

Auditor

During the year, KPMG LLP tendered their resignation as auditors and Consilium Audit Limited were appointed as auditor to the company and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

GRAFTON UNDERWOOD SOLAR LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Statement of directors' responsibilities

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 elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Directors' Report that complies with that law and those regulations.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all 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 Section 418 of the Companies Act 2006.

On behalf of the board

Blair James Cruikshank
Director

27 September 2023

GRAFTON UNDERWOOD SOLAR LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRAFTON UNDERWOOD SOLAR LIMITED

Opinion

We have audited the financial statements of Grafton Underwood Solar Limited (the 'company') for the period ended 31 December 2022 which comprise the income statement and statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial period 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.

GRAFTON UNDERWOOD SOLAR LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GRAFTON UNDERWOOD SOLAR LIMITED

Matters on which we are required to report by exception

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 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 the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the company through discussions with directors and management and from our knowledge of the regulatory environment relevant to the company.
- We assessed the extent of compliance with laws and regulations through making enquiries of management and inspecting legal correspondence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud.
- To address the risk of fraud through management bias and override of controls, we tested journal entries to identify unusual transactions, we assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and we investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence.

GRAFTON UNDERWOOD SOLAR LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GRAFTON UNDERWOOD SOLAR LIMITED

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.

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.

Brian Thomson BA(Hons) CA (Senior Statutory Auditor)
For and on behalf of Consilium Audit Limited
Chartered Accountants
Statutory Auditor

169 West George Street
Glasgow
Scotland
G2 2LB

27 September 2023

GRAFTON UNDERWOOD SOLAR LIMITED

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

		Period ended 31 December 2022 £	Year ended 31 March 2022 £
	Notes		
Other operating expenses		(5,100)	(30,100)
Operating loss	3	(5,100)	(30,100)
Finance costs	5	-	(5,161)
Loss before taxation		(5,100)	(35,261)
Income tax expense	6	(2,048)	-
Loss and total comprehensive income for the period		(7,148)	(35,261)

All results relate to continuing operations.

Losses are wholly attributable to the equity holder of Grafton Underwood Solar Limited.

The notes on pages 9 to 16 form part of these financial statements.

GRAFTON UNDERWOOD SOLAR LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		31 December 2022 £	31 March 2022 £
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	7	102,963	-
Current assets			
Corporation tax recoverable		6,483	-
Trade and other receivables	8	865,617	864,228
		872,100	864,228
Total assets		975,063	864,228
EQUITY			
Share capital	9	100	100
Retained losses		(791,695)	(784,547)
Total equity		(791,595)	(784,447)
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	10	8,531	-
Current liabilities			
Loans and other borrowings	11	1,669,595	1,618,675
Trade and other payables	12	88,532	30,000
		1,758,127	1,648,675
Total equity and liabilities		975,063	864,228

The notes on pages 9 to 16 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:

Blair James Cruikshank
Director

Company registration number 11132956

GRAFTON UNDERWOOD SOLAR LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share capital	Retained losses	Total
	£	£	£
Balance at 1 April 2021	100	(749,286)	(749,186)
Year ended 31 March 2022:			
Loss and total comprehensive income for the year	-	(35,261)	(35,261)
Balance at 31 March 2022	100	(784,547)	(784,447)
Period ended 31 December 2022:			
Loss and total comprehensive income for the period	-	(7,148)	(7,148)
Balance at 31 December 2022	100	(791,695)	(791,595)

The notes on pages 9 to 16 form part of these financial statements.

GRAFTON UNDERWOOD SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Grafton Underwood Solar Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4th Floor, 1 Tudor Street, London, UK, EC4Y 0AH. The company's registration number is 11132956. The company's principal activities and nature of its operations are disclosed in the Directors' report.

1.1 Reporting period

The current period covers the 9 months to 31 December 2022. The prior period covers the 12 months to 31 March 2022.

1.2 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards, but makes amendments where necessary in order to comply with the Companies Act 2006 and where advantage of the FRS 101 disclosure exemptions has been taken.

These financial statements are the first financial statements of the company to be prepared in accordance with FRS 101. In previous years, the financial statements were prepared under UK-adopted international accounting standards and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

In the transition from UK-adopted international accounting standards to FRS 101, no recognition or measurement adjustments were necessary which affect the company's financial position and performance.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- presentation of a statement of cash flows and related notes;
- comparative period reconciliations for the carrying amounts of property, plant and equipment;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- the effects of new but not yet effective IFRS pronouncements; and
- related party disclosures for transactions with the parent or wholly owned members of the Iberdrola group.

GRAFTON UNDERWOOD SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.3 Going concern

The statement of financial position presents net current liabilities of £886,027 and net liabilities of £791,595 as at 31 December 2022. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The principal activity of the company is the development of the Grafton Underwood solar plant within the group headed by Scottish Power UK plc ("the SPUK Group"). Scottish Power UK plc ("SPUK"), the company's intermediate parent company, is itself a subsidiary of Iberdrola, S.A., the ultimate parent undertaking. The company's cash flows are therefore dependent on the continuation of operations and have been considered as part of the SPUK Group's cash flow forecasts, on which the directors of the SPUK Group have performed an assessment of reasonably possible downsides.

To meet its working capital requirements, the company participates in a UK centralised treasury function operated by the company's intermediate parent company SPL, the parent company of SPUK. At 31 December 2022, the company had a loan payable of £1,630,312 with SPL. ScottishPower's treasury function works closely with Iberdrola to manage the company's funding requirements. There has been no indication that these arrangements may change. The directors have performed a going concern assessment which indicates that, in the case of reasonably possible downsides, the company will require additional funds, through funding from SPUK, to meet its liabilities as they fall due for at least one year from the date of approval of these financial statements.

SPUK has indicated its intention to make available such funds as are needed by the company, in the event this is required. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least one year from the date of approval of these financial statements and, therefore, have prepared the financial statements on a going concern basis.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Property, plant and equipment includes employee costs, capitalised interest and other directly attributable costs. Borrowing costs directly attributable to the acquisition, construction or production of major qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Assets in the course of construction are not depreciated.

1.5 Impairment of tangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

GRAFTON UNDERWOOD SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

GRAFTON UNDERWOOD SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Critical accounting estimates and judgements

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

Critical judgements in applying the entity's accounting policies:

The company has not made any critical judgements in applying the entity's accounting policies.

Critical accounting estimates and assumptions:

The company has not made any critical estimates in applying the entity's accounting policies.

3 Operating loss

31 December 2022 31 March 2022

Operating loss for the period/year is stated after charging:	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	5,100	30,000
	<u> </u>	<u> </u>

4 Employees

The company has no employees in the current period or prior year.

The directors provided a minimal amount of qualifying services to the company and consequently received no remuneration.

GRAFTON UNDERWOOD SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

5 Finance costs

	31 December 2022	31 March 2022
	£	£
Interest on amounts due to Iberdrola Group companies	34,122	5,161
Capitalised interest	(34,122)	-
	<u>-</u>	<u>5,161</u>

6 Taxation

	31 December 2022	31 March 2022
	£	£
Current tax		
UK corporation tax on losses for the current period	(6,483)	-
	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of temporary differences	6,483	-
Changes in tax rates	2,048	-
	<u>8,531</u>	<u>-</u>
Total tax charge	<u>2,048</u>	<u>-</u>

GRAFTON UNDERWOOD SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

6 Taxation

(Continued)

The charge for the period can be reconciled to the loss per the income statement as follows:

	31 December 2022 £	31 March 2022 £
Loss before taxation	(5,100)	(35,261)
Expected tax credit based on a corporation tax rate of 19.00% (31 March 2022: 19.00%)	(969)	(6,700)
Impact of tax rate change on current period charge	2,043	-
Deferred tax not recognised	969	6,700
Taxation charge for the period	2,043	-

From April 2023 onwards, the main rate of corporation tax will rise from 19% to 25%. As this change has been substantively enacted, deferred tax has been calculated at a rate of 25%.

7 Property, plant and equipment

	Photovoltaic energy in progress £
Cost	
At 1 April 2022	-
Additions	102,963
At 31 December 2022	102,963
Accumulated depreciation and impairment	
At 1 April 2022	-
At 31 December 2022	-
Carrying amount	
At 31 December 2022	102,963

Included within the cost of property, plant and equipment is capitalised interest of £34,122 (31 March 2022: £nil).

Interest was capitalised during the period at an average rate of 2.87%.

GRAFTON UNDERWOOD SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

8 Trade and other receivables

	31 December 2022 £	31 March 2022 £
VAT recoverable	1,389	-
Prepayments and accrued income	864,228	864,228
	<u>865,617</u>	<u>864,228</u>

9 Share capital

	31 December 2022 Number of shares	31 March 2022 Number of shares	31 December 2022 £	31 March 2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	£
Liability at 1 April 2021 and 1 April 2022	-
Deferred tax movements in current period	
Charge to profit or loss	8,531
Liability at 31 December 2022	<u>8,531</u>

The company has not recognised a deferred tax asset in relation to £40,361 (31 March 2022: £35,261) of losses due to the uncertainty over the availability of future taxable profits.

GRAFTON UNDERWOOD SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

11 Loans and other borrowings

Instrument	Interest rate*	Maturity	31 December 2022	31 March 2022
			£	£
Loans with Iberdrola Group companies	Base + 1%	On demand	1,630,312	1,613,514
Accrued interest due to Iberdrola Group companies			39,283	5,161
			<u>1,669,595</u>	<u>1,618,675</u>

*Base - Bank of England Base Rate.

12 Trade and other payables

	31 December 2022	31 March 2022
	£	£
Payables due to Iberdrola Group companies	46,822	-
Other payables	41,710	30,000
	<u>88,532</u>	<u>30,000</u>

13 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

14 Ultimate and immediate parent company

The immediate parent company is SPRUKL. The registered office of the parent company is The Soloist, 1 Lanyon Place, Belfast, Northern Ireland, BT1 3LP.

The directors regard Iberdrola, S.A. as the ultimate parent company, which is also the parent company of the largest group in which the results of the company are consolidated. The parent company of the smallest group in which the results are consolidated is Scottish Power UK plc ("SPUK").

Copies of the consolidated accounts of Iberdrola, S.A. may be obtained from Iberdrola, S.A., at its registered office, Torre Iberdrola, Plaza Euskadi 5, 48009, Bilbao, Spain. Copies of the consolidated accounts of SPUK may be obtained from its registered office, 320 St. Vincent Street, Glasgow, G2 5AD.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.