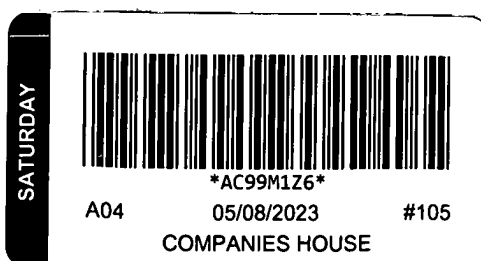


Scottish and Southern Energy Power Distribution Limited

Directors' Report and Financial Statements

Year ended 31 March 2023

Registered No.: SC213459



Scottish and Southern Energy Power Distribution Limited

Contents

	Page No.
Directors and other information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements	4
Independent auditor's report to the members of Scottish and Southern Energy Power Distribution Limited	5
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes on the Financial Statements	11

Scottish and Southern Energy Power Distribution Limited

Directors and Other Information

Directors

Gregor Alexander (Non-Executive Director) (Chairman)
Rob McDonald
Chris Burchell
Eliane Algaard
Mark Rough
Sandy MacTaggart
Maz Alkirwi
Rachel McEwen (Non-Executive Director)
Katherine Marshall (Non-Executive Director)
David Rutherford (Independent Non-Executive Director) (Resigned 26/10/2022)
Gary Steel (Independent Non-Executive Director) (Resigned 26/10/2022)

Registered office

Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ
Scotland

Secretary

Mark McLaughlin

Auditor

Ernst & Young LLP
G1 5 George Square
Glasgow
G2 1DY

Registered number

SC213459

Scottish and Southern Energy Power Distribution Limited

Strategic Report

The Directors present their Strategic Report and audited Financial Statements for Scottish and Southern Energy Power Distribution Limited (the "Company") for the year ended 31 March 2023.

1 Principal activities

The Company's principal business is to act as an investment holding company.

2 Strategic review

The Company is a wholly owned subsidiary of SSE plc (the "Group"). The Directors intend the Company to pursue its activity of holding investments.

During 2022/23, the Group and the Company completed a 25% minority interest disposal of subsidiary company Scottish Hydro Electric Transmission plc (SHET) to Ontario Teachers' Pension Plan (OTTP) Board for consideration of £1,465m on 25 November 2022. The minority stake sale aligns with SSE's 'Net Zero Acceleration Programme' (NZAP) to balance future (net) capital expenditure to support acceleration of clean growth to lead the energy transition and maximise value for stakeholders. The Group and Company had previously announced the intention to dispose of a minority interest in the Distribution subsidiaries, however the Group's updated NZAP Plus plan now reflects the decision that retaining 100% of the Distribution companies is the right strategy at this time. The Directors do not anticipate any further changes in activities in the forthcoming year.

3 Principal risks and uncertainties

The principal risk of the Company is that it would be unable to realise the value of its investments carried on the Company balance sheet. To mitigate the risk, the Directors ensure careful selection of investments and monitor the performance and financial status of its investments on an ongoing basis. The Company's subsidiaries document their principal risks and uncertainties within their respective Financial Statements. The Company has in place processes to ensure that the Directors of the Company are fully aware of developments and issues affecting each of the Company's subsidiaries.

The Directors have managed and assessed the potential risks of the Company during the year. The war in Ukraine and the gas and power price increases in the UK energy market has created market volatility during the year. The impact of market volatility on investments as a result of these events are being closely monitored by the Directors. The Company and its subsidiaries do not have any energy supply contracts with Russian counterparties.

4 Business Review

The Company made a profit in the year of £1,377.2m (2022: *£nil*). The Company had a net asset position of £442.7m (2022: £428.4m) and paid a dividend during the year of £1,359.5 (2022: *£nil*).

Scottish and Southern Energy Power Distribution Limited acts as a holding company and therefore the Directors do not consider that there are any suitable key performance indicators that require specific disclosure within this report.

On behalf of the Board:

DocuSigned by:

Gregor Alexander

2DF6F4265DA54C7...

Gregor Alexander

Director

21 July 2023

Scottish and Southern Energy Power Distribution Limited

Directors' Report

The Directors present their report together with the audited Financial Statements for the year ended 31 March 2023.

1 Results and dividends

The Company made a profit during the year of £1,377.2m (2022: *£nil*). A dividend was declared, approved and paid in the year of £1,359.5 (2022: *£nil*). A review of the year including the Company's future developments is contained within the Strategic Report section of these Financial Statements.

2 Directors

The Directors and Secretary who served during the year are as listed on page 1. In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.

3 Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

4 Going concern

The Directors have assessed that the Company will prepare its Financial Statements on a going concern basis, see note 1 to the Financial Statements for details.

On behalf of the Board:

DocuSigned by:



5B4F506F6B59413...

Mark McLaughlin
Company Secretary
21 July 2023

Scottish and Southern Energy Power Distribution Limited

Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements

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 they have elected to prepare the Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*. 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 its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- state whether applicable UK accounting standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; 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 Strategic Report, Directors' Report, and Corporate Governance Statement that complies with that law and those regulations.

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

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic report/Directors' report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

We consider the Annual report and Financial Statements to be fair, balanced and understandable and provides the information necessary for users to assess the Company's position and performance.

On behalf of the Board:

DocuSigned by:

Gregor Alexander

2DF6F4265DA54C7...

Gregor Alexander
Director
21 July 2023

Independent Auditor's Report to the Members of Scottish and Southern Energy Power Distribution Limited

Opinion

We have audited the Financial Statements of Scottish and Southern Energy Power Distribution Limited for the year ended 31 March 2023 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Financial Statements:

- give a true and fair view of the company's affairs as at 31 March 2023 and of its profit for the year 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 until 31 December 2024.

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

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Scottish and Southern Energy Power Distribution Limited (*continued*)

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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 strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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.

Explanation as to what extent 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS101 Reduced Disclosure Framework and Companies Act 2006) and relevant tax compliance regulations in the UK;
- We understood how Scottish and Southern Energy Power Distribution Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures, including review of board minutes;

Independent Auditor's Report to the Members of Scottish and Southern Energy Power Distribution Limited (*continued*)

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence on efforts made by management to manage earnings. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of management; and focused testing. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements and accounts with all applicable requirements.

A further description of our responsibilities for the audit of the financial statements is located 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.

Ernst & Young LLP.

Nicola McIntyre (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow
21 July 2023

Scottish and Southern Energy Power Distribution Limited

Profit and Loss Account for the year ended 31 March 2023

	Note	2023 £m	2022 £m
Gain on sale of investments		1,359.5	-
Operating profit		1,359.5	
Interest receivable and similar income	3	17.7	-
Profit before taxation		1,377.2	-
Tax on profit	4	(3.4)	-
Profit for the financial year		1,373.8	-

Continuing operations

The above results are derived from continuing activities.

The accompanying notes are an integral part of these Financial Statements.

Total other comprehensive income

The Company had no other comprehensive income in the current or prior financial year.

Scottish and Southern Energy Power Distribution Limited

Balance Sheet as at 31 March 2023

	Note	2023 £m	2022 £m
Non-current assets			
Fixed asset investments	6	435.6	524.2
Current assets			
Debtors:			
amounts falling due within one year	7	18.0	4.2
Total current assets		18.0	4.2
Current liabilities			
Creditors:			
amounts falling due within one year	8	(10.9)	(100.0)
Net current assets/(liabilities)		7.1	(95.8)
Net assets		442.7	428.4
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		442.7	428.4
Equity Shareholders' funds		442.7	428.4

The accompanying notes form an integral part of this Balance Sheet.

These Financial Statements were approved by the Directors on 21 July 2023 and signed on their behalf by:

DocuSigned by:

Gregor Alexander

2DF6F4265DA54C7...

Gregor Alexander

Director

Company registered number: SC213459

Scottish and Southern Energy Power Distribution Limited

Statement of Changes in Equity for the year ended 31 March 2023

	Share capital £m	Profit and loss account £m	Total equity £m
Balance at 1 April 2021	-	428.4	428.4
Balance at 31 March 2022	-	428.4	428.4
Balance at 1 April 2022	-	428.4	428.4
Profit for the year	-	1,373.8	1,373.8
Total comprehensive income for the year	-	1,373.8	1,373.8
Dividends paid (note 5)	-	(1,359.5)	(1,359.5)
Balance at 31 March 2023	-	442.7	442.7

Scottish and Southern Energy Power Distribution Limited

Notes on the Financial Statements for the year ended 31 March 2023

1 Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements.

Basis of preparation

The Financial Statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 (Reduced Disclosures) ("FRS 101") as issued by the Financial Reporting Council.

In these Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- The effect of new, but not yet effective, IFRSs; and
- Related party disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

Going concern

The financial statements are prepared on a Going Concern basis which has been supported by the provision of a parental letter of support from SSE plc. The Group letter of support confirms it will provide support to 31 December 2024, which is at least 12 months from the date of signing of these accounts, where required. The Directors are satisfied that the Group has the ability to provide this support, should it be required.

In assessing the financial strength of the letter of support provided, the directors considered the cash and cash equivalents balance of £891.8m at 31 March 2023, and the undrawn committed bank facilities of £2.75bn maintained by the Group. In coming to this conclusion, the Directors have taken into account the Group's credit rating and the successful issuance of £1.6bn of long-term funding in the 22/23 financial year being a €1bn NC6 Hybrid at 4% in April 2022, a 7 year €650m Eurobond at a coupon of 2.875% and a £350m dual tranche US Private Placement. As well as taking account of the factors noted, the going concern conclusion is arrived at after applying stress testing sensitivities to the Group's cash flow and funding projections including removal of proceeds from unconfirmed future divestments, negative and positive sensitivities on operating cash flows and uncommitted capex and other adjustments.

Having reviewed the financial strength of the Group, the directors are satisfied that the Group, and the Company itself, will remain funded for foreseeable future. The Directors have therefore concluded it is appropriate for the financial statements to be prepared on a going concern basis.

The Company is in a net current asset position of £7.1m as at the financial year end.

Accounting convention

The Financial Statements have been prepared on the going concern basis, under the historical cost convention and are in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Group accounts

At the end of the year the Company was a wholly owned subsidiary of SSE plc, a company incorporated in the United Kingdom. Accordingly, the preparation of group accounts is not required under Section 400 of the Companies Act 2006. These Financial Statements present information about the Company as an individual undertaking and not about its Group.

Scottish and Southern Energy Power Distribution Limited

Notes on the Financial Statements *(continued)* for the year ended 31 March 2023

1 Significant accounting policies *(continued)*

Investments and Income from fixed asset investments

Investments in subsidiaries are carried at cost and reviewed annually for impairment. Investment income comprises dividends received from the Company's investments in associated undertakings. Dividend distributions to the Company's shareholders are recognised in the Financial Statements as they are paid or if they have been approved by shareholders before the end of the financial period. Dividends approved by shareholders but unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the Financial Statements.

Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Directors remuneration

	2023 £m	2022 £m
Directors remuneration	8.1	7.0

The total remuneration received by the directors for qualifying and non-qualifying services including amounts paid and receivable under long term incentive schemes during the year was £8.1m (2022: £7.0m). The total attributable to the highest paid director is £3.2m (2022: £3.1m). The above value is for 11 directors (2022: 11), 9 of whom were remunerated via another Group company in the year. A value of services to the Company for these directors cannot be determined, therefore the above value reflects the remuneration received for services to the SSE Group as a whole.

The aggregate of amounts paid and receivable under long term incentive schemes for directors is £4.7m (2022: £3.8m), of which £2.2m (2022: £2.1m) is due to the highest paid director. Total company pension contributions of £0.1m (2022: £0.1m) were made to a money purchase scheme on behalf of the directors.

9 (2022:8) directors exercised share options in the parent's shares during the year. The highest paid director exercised and received shares under a long-term incentive scheme in the year.

	Number of directors	
	2023	2022
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	3	3

3 Interest receivable and similar income

	2023 £m	2022 £m
Interest receivable from Group companies	17.7	-

Scottish and Southern Energy Power Distribution Limited

Notes on the Financial Statements *(continued)* for the year ended 31 March 2023

4 Taxation

	2023 £m	2022 £m
UK corporation tax		
Current tax on income for the period	3.4	-
Total current tax charge	3.4	-

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2023 £m	2022 £m
Profit before taxation	1,377.2	-
Tax on profit at standard UK corporation tax rate of 19% (2022: 19%)	261.7	-
Effects of:		
Non-taxable income	(258.3)	-
Total tax for the year	3.4	-

Finance Bill 2021 increased the main rate of corporation tax from 19% to 25% from 1 April 2023. The Company's future tax charge will be calculated accordingly.

5 Dividends

The Company declared and paid a dividend in the year of £1,359.5m (2022: *£nil*).

6 Fixed asset investments

During the year the Company recognised an income statement gain of £1,359.5m from the sale of a 25% non-controlling equity stake in the subsidiary company Scottish Hydro Electric Transmission plc.

On 25 November 2022, the Group announced it had agreed to sell a 25% non-controlling equity stake in Scottish Hydro Electric Transmission plc ('SHET') to Ontario Teachers Pension Plan ('OTPP') for cash consideration of £1,465.0m, less transactions costs of £16.9m. The transaction completed on 30 November 2022, at which time the Company disposed of the £88.6m carrying value of SHET.

	Investment in subsidiary undertakings £m
<i>Cost and Net Book Value</i>	
Opening balance at 1 April 2022	524.2
Carrying value of non-controlling interests disposed	(88.6)
Closing balance at 31 March 2023	435.6

Scottish and Southern Energy Power Distribution Limited

Notes on the Financial Statements *(continued)* for the year ended 31 March 2023

6 Fixed asset investments *(continued)*

Details of the principal subsidiary, joint ventures, associates and other investments are as follows:

Subsidiary undertakings	Relation	Country of incorporation	Registered Address (key)	2023 % Holding	2022 % Holding	Principal activity
Direct:						
Scottish Hydro Electric Transmission plc	Subsidiary	Scotland	A	75.0	100.0	Electricity transmission
Scottish Hydro Electric Power Distribution plc	Subsidiary	Scotland	A	100.0	100.0	Distribution of electricity
Southern Electric Power Distribution plc	Subsidiary	England & Wales	B	100.0	100.0	Distribution of electricity

The Company's structure includes non-wholly owned but controlled subsidiaries which are consolidated within the financial statements of the Group under IFRS. The most significant of those is Scottish Hydro Electric Transmission plc, a 25% stake in which was divested on 30 November 2022. There is no impact to disclosures for prior years.

Subsidiary Undertakings	Relation	Country of incorporation	Registered Address (key)	2023 % Holding	2022 % Holding	Principal activity
Indirect:						
Electralink Limited	Investment	England & Wales	C	13.68	13.68	Data Transfer Service Operator
Gemserv Limited	Investment	England & Wales	D	-	5.56	Market Design, Governance and Assurance Service Provider
DCUSA Limited	Investment	England & Wales	C	3.38	3.38	Billing Framework Operator
MRA Service Company Limited (I)	Investment	England & Wales	D	-	0.72	Metering Point Administration Service Operator
Smart Energy Code Company Limited	Investment	England & Wales	D	0.66	0.66	Smart Metering Implementation Management

(i) In voluntary liquidation

Registered Address Key

Address	Reference
Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ	A
No.1 Forbury Place, 43 Forbury Road, Reading, RG1 3JH	B
Northumberland House, 303 – 306 High Holborn, London, England WC1V 7JZ	C
8 Fenchurch Place, London, EC3M 4AJ	D

The Company's subsidiaries fully transferred out all shares in Gemserv Limited in the year.

The Directors have reviewed the recoverability of the carrying value of the investments at 31 March 2023 and are satisfied that the carrying amount is not more than the recoverable amount.

Scottish and Southern Energy Power Distribution Limited

Notes on the Financial Statements *(continued)* for the year ended 31 March 2023

7 Debtors: amounts falling due within one year:

	2023 £m	2022 £m
Amounts owed by group undertakings	18.0	4.2

8 Creditors: amounts falling due within one year

	2023 £m	2022 £m
Amounts owed to group undertakings	9.3	100.0
Accruals	1.6	-
	10.9	100.0

The amounts owed to Group undertakings are in respect of amounts advanced to the Company by its ultimate parent SSE plc. Interest is charged at 4.03% (2022: 4.89%).

9 Share capital

	2023 £	2022 £
Allotted, called up and fully paid 1 ordinary share of £1	1	1

10 Expenses and auditor's remuneration

An audit fee of £0.04m (2022: £0.03m) was paid for by the Group on behalf of the Company.

11 Ultimate parent company

The Company is a wholly owned subsidiary of SSE plc, which is the immediate parent and ultimate controlling party of the Company and is registered in Scotland. The largest and smallest Group in which the results of the Company are consolidated is that headed by SSE plc. The consolidated Financial Statements of the Group (which include those of the Company) are available from the Company Secretary, SSE plc, Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ or by accessing the company's website at www.sse.com.