

Registration number: 11024024

Optimal Power Networks Limited  
(formerly Forbury Assets Limited)

Directors report and Financial Statements

for the Year Ended 31 March 2022

# Optimal Power Networks Limited

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# **Optimal Power Networks Limited**

## **Company Information**

### **Directors**

Matthew Anderson

Grant Elder

Owen Temple

### **Company secretary**

Graham Atkinson

### **Registered office**

No.1 Forbury Place

43 Forbury Road

Reading

RG1 3JH

### **Auditors**

Ernst & Young LLP

R+ Building

2 Blagrove Street

Reading

RG1 1AZ

### **Registered number**

11024024

# **Optimal Power Networks Limited**

## **Directors' Report for the Year Ended 31 March 2022**

The directors present their report and financial statement for Optimal Power Networks Limited (the "Company") for the year ended 31 March 2022.

This report has been prepared in accordance with the special provisions of section 381 of the Companies Act 2006 relating to small companies. The directors have taken exemption under this regime not to disclose the strategic report.

### **Directors' of the company**

The directors, who held office during the year, were as follows:

Matthew Anderson

Grant Elder

Owen Temple

### **Principal activity**

The principal activity of the company is to own and operate local electricity distribution network infrastructure. The Company charges electricity suppliers for use of the electricity distribution system to convey electricity to consumers. The licence to operate the network was awarded on the 8<sup>th</sup> of April 2020 and network operations commenced in July 2020.

### **Dividends**

The directors do not recommend payment of a dividend (2021: £Nil) be made in respect of the financial year ended 31 March 2022.

### **Political and charitable donations**

The Company did not make any political or charitable donations during the year.

# Optimal Power Networks Limited

## Directors' Report for the Year Ended 31 March 2022 (continued)

### Environmental matters

The Company is exempt from making disclosures in line with the Streamlined Energy and Carbon Reporting ('SECR') requirements as it is a wholly owned subsidiary of SSE plc. The consolidated disclosures of the Group are available on pages 40 - 57 of the SSE plc's 2022 Annual Report

### 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 that the Group will provide support to 31 December 2023 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 balance of £289.3m at 30 September 2022, the committed bank facilities of £2.5bn maintained by the Group (including the £1.0bn facility entered into in November 2022), and the current commercial paper market conditions including the Group's success in refinancing maturing debt with the issuance of £2.1bn of long and short term debt since 31 March 2022 and the issuance of £831.4m of hybrid equity in April 2022, and the Group's credit rating. The Group's period of going concern assessment is performed to 31 December 2023, 21 months from the balance sheet date, which is at least 12 months from the filing deadline of its subsidiary companies. The directors are not aware of any subsequent events that would have a material impact on the going concern assessment. 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.

### Disclosure of information to the auditors

Each director at the time when this Directors' Report is approved has confirmed that so far as they are aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and the directors confirm they have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

### Reappointment of auditors

The auditors Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 7 December 2022 and signed on its behalf by:



[Grant Elder \(Dec 7, 2022 10:15 GMT\)](#)

Grant Elder  
Director

# Optimal Power Networks Limited

## Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom 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 international accounting standards in conformity with the requirements of the Companies Act 2006, and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 in 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; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not 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 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. Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations.

Approved by the Board on 7 December 2022 and signed on its behalf by:



[Grant Elder \(Dec 7, 2022 10:15 GMT\)](#)

Grant Elder  
Director

# Optimal Power Networks Limited

## Independent Auditor's Report to the Members of Optimal Power Networks Limited

### Opinion

We have audited the financial statements of Optimal Power Networks Limited for the year ended 31 March 2022 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 12, 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 2022 and of its loss 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 to 31 December 2023.

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.

## **Optimal Power Networks Limited**

### **Independent Auditor's Report to the Members of Optimal Power Networks Limited (continued)**

We have nothing to report in this regard.

#### **Opinion on other matter 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, 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.



## Optimal Power Networks Limited

### Independent Auditor's Report to the Members of Optimal Power Networks Limited (continued)

#### *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 (FRS 101 and Companies Act 2006) and relevant tax compliance regulations in the UK and the General Data Protection Regulation (GDPR).
- We understood how Optimal Power Networks Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicated its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We corroborated our enquiries through our review of the board minutes, and we noted no such contradictory evidence.
- 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 consider there was susceptibility to fraud. We considered the programmes and controls that the company has established to address risks identified, or that prevent, deter and detect fraud, and how senior management monitors those programmes and controls at a group level. Where the risk was considered to be higher, we performed audit procedures to address the identified fraud risk, management override of controls.
- Based on this understanding we designed our audit procedures to identify non-compliance 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 and enquiries of management and those charged with governance. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements and accounts with all applicable requirements.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, through internal team discussions and enquiry of management and those charged with governance. Through these procedures, we identified there to be a risk of management override relating to overstatement of intercompany revenue. We used statistical techniques to sample from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria, which we investigated further to gain an understanding of the transaction and agree to source documentation ensuring appropriate authorisation of the transactions. We considered 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.

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.

**Optimal Power Networks Limited**

**Independent Auditor's Report to the Members of Optimal Power Networks Limited  
(continued)**

*Ernst & Young LLP*

Emily Butler (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor

R+ Building  
2 Blagrove Street  
Reading  
RG1 1AZ

Date: 7 December 2022

## Optimal Power Networks Limited

### Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £ m	2021 £ m
Turnover	3	0.1	-
Cost of sales		(0.1)	-
Gross profit		-	-
Administrative expenses		(1.1)	(0.8)
Operating loss		(1.1)	(0.8)
Interest payable and similar expenses		(0.1)	-
Loss before tax		(1.2)	(0.8)
Tax on loss	7	0.2	0.1
Loss for the year		(1.0)	(0.7)

The above results were derived from continuing operations.

The company had no other comprehensive income in the current or prior financial years

# Optimal Power Networks Limited

(Registration number: 11024024)  
Balance Sheet as at 31 March 2022

	Note	31 March 2022 £ m	31 March 2021 £ m
<b>Fixed assets</b>			
Intangible assets	8	0.2	0.4
<b>Current assets</b>			
Debtors	9	0.2	-
Deferred tax	7	0.1	-
Corporation tax	7	0.2	0.2
		<hr/>	<hr/>
		0.5	0.2
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	(0.3)	(0.4)
		<hr/>	<hr/>
<b>Net current assets/(liabilities)</b>		0.2	(0.2)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		0.4	0.2
<b>Creditors: Amounts falling due after more than one year</b>			
Amounts due to Group undertakings	10	(2.4)	(1.2)
		<hr/>	<hr/>
<b>Net liabilities</b>		(2.0)	(1.0)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account		(2.0)	(1.0)
		<hr/>	<hr/>
Shareholders' deficit		(2.0)	(1.0)
		<hr/>	<hr/>

Approved by the Board on 7 December 2022 and signed on its behalf by:



[Grant Elder \(Dec 7, 2022 10:15 GMT\)](#)

Grant Elder  
Director

## Optimal Power Networks Limited

### Statement of Changes in Equity for the Year Ended 31 March 2022

	<b>Share capital</b> <b>£ m</b>	<b>Retained</b> <b>earnings</b> <b>£ m</b>	<b>Total</b> <b>£ m</b>
At 1 April 2021	-	(1.0)	(1.0)
Loss for the year	-	(1.0)	(1.0)
At 31 March 2022	-	(2.0)	(2.0)

	<b>Share capital</b> <b>£ m</b>	<b>Retained</b> <b>earnings</b> <b>£ m</b>	<b>Total</b> <b>£ m</b>
At 1 April 2020	-	(0.3)	(0.3)
Loss for the year	-	(0.7)	(0.7)
At 31 March 2021	-	(1.0)	(1.0)

The notes on pages 12 to 19 form an integral part of these financial statements.

# Optimal Power Networks Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 1 General information

The company is a private company limited by share capital, incorporated and domiciled in England & Wales.

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

These financial statements were prepared in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company has applied the recognition, measurement and disclosure requirements of UK adopted International Financial Reporting Standards, but has made amendments, where necessary, in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

#### Summary of disclosure exemptions

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 required by IAS 7;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets required by IAS 1, IAS 16 and IAS 36 respectively;
- The effect of new, but not yet effective, IFRSs required by IAS 1;
- Disclosures in respect of the compensation of key management personnel required by IAS 24;
- Disclosures in respect of capital management required by IAS 1; and
- Related party disclosures required by IAS 24.

As the consolidated financial statements of SSE plc include the equivalent disclosure, the company has also taken advantage the exemptions, under FRS 101, available in respect of the following disclosures:

- Certain disclosures required by IAS 36, Impairment of assets, in respect of the impairment of goodwill and life intangible assets; and
- Certain disclosures required by IFRS 13, Fair value measurement, and the disclosures required by IFRS 7, Financial instrument disclosures.

Employee share based payments have not been disclosed on the basis of materiality.

#### Consolidated accounts

The company is a subsidiary of SSE plc and the financial statements of the company are consolidated with the consolidated financial statements of that company. Consolidated accounts have not been prepared as the company is availing itself of the exemption whereby, as a wholly owned subsidiary of an entity which prepares consolidated accounts, it is not required to prepare consolidated accounts under section 400 of the Companies Act 2006.

# Optimal Power Networks Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

### 2 Accounting policies (continued)

#### 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 that the Group will provide support to 31 December 2023 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 balance of £289.3m at 30 September 2022, the committed bank facilities of £2.5bn maintained by the Group (including the £1.0bn facility entered into in November 2022), and the current commercial paper market conditions including the Group's success in refinancing maturing debt with the issuance of £2.1bn of long and short term debt since 31 March 2022 and the issuance of £831.4m of hybrid equity in April 2022, and the Group's credit rating. The Group's period of going concern assessment is performed to 31 December 2023, 21 months from the balance sheet date, which is at least 12 months from the filing deadline of its subsidiary companies. The directors are not aware of any subsequent events that would have a material impact on the going concern assessment. 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.

#### Revenue recognition

Revenue comprises the DUoS charges in relation to the ongoing management of electrical networks on behalf of new and existing customers, excluding value added tax. All Revenue arises in the UK. Revenue is recognised at the point in time as electricity is used within the electrical network.

#### Finance income and costs policy

Interest income and costs are recognised in the income statement as they accrue, on an effective interest method.

Interest on the funding attributable to major capital projects is capitalised during the period of construction and depreciated as part of the total cost over the useful life of the asset.

#### Tax

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

# Optimal Power Networks Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

### 2 Accounting policies (continued)

#### Tangible assets

##### *Owned assets*

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

#### Intangible assets

##### *Developed software assets*

Expenditure on internally developed software assets and application software licences includes contractors' fees and directly attributable labour and overheads. Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful life of these assets, which ranges from 3 to 15 years.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Years
Developed Software assets	3-15

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as fixed assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.



# Optimal Power Networks Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

### 2 Accounting policies (continued)

#### Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### 3 Turnover

The analysis of the company's revenue for the year from continuing operations is as follows:

	2022	2021
	£ m	£ m
Electricity distribution network operation	0.1	-

### 4 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£ m	£ m
Wages and salaries	0.4	0.2

## Optimal Power Networks Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 4 Staff costs (continued)

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Administration and support	5	0

#### 5 Directors' remuneration

The total remuneration received by the directors for qualifying and non-qualifying services during the year was £0.3m (2021: £0.3m). The above value is for 3 directors (2021: 4), of who 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 remunerations received for services to the SSE Group as a whole.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £0.1m (2021: £0.1m) including company pension contributions of £0.01m (2021: £0.05m) which were made to a money purchase scheme on their behalf.

#### 6 Auditors' remuneration

The company incurred an audit fee of £15,043 in the year (2021: £6,794). The fee in both the current and previous year was borne by another group company.

## Optimal Power Networks Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 7 Income tax

Tax charged/(credited) in the profit and loss account

	<b>2022</b>	<b>2021</b>
	<b>£ m</b>	<b>£ m</b>
<b>Current taxation</b>		
UK corporation tax at 19% (2021: 19%)	(0.2)	(0.2)
<b>Deferred taxation</b>		
Arising from Pre - trading expenses	-	0.1
Tax receipt in the profit and loss account	(0.2)	(0.1)

#### Deferred tax

Deferred tax movement during the prior year:

	<b>At 31 March</b>	<b>Recognised in</b>	<b>At 31 March</b>
	<b>2021</b>	<b>income</b>	<b>2022</b>
	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>
Pre - trading expenses	-	-	-

	<b>At 31 March</b>	<b>Recognised in</b>	<b>At</b>
	<b>2020</b>	<b>income</b>	<b>31 March</b>
	<b>£ m</b>	<b>£ m</b>	<b>2021</b>
			<b>£ m</b>
Pre - trading expenses	0.1	(0.1)	-

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% which represents the future corporation tax rate that was enacted at the balance sheet date. This resulted a deferred tax charge/credit of £0.05m.

## Optimal Power Networks Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 8 Intangible assets

	<b>Internally generated software development costs £ m</b>
<b>Cost or valuation</b>	
At 1 April 2021	0.6
At 31 March 2022	0.6
<b>Amortisation</b>	
At 1 April 2021	0.2
Amortisation charge	0.2
At 31 March 2022	0.4
<b>Carrying amount</b>	
At 31 March 2022	0.2
At 31 March 2021	0.4

#### 9 Trade and other debtors

	<b>31 March 2022 £ m</b>	<b>31 March 2021 £ m</b>
Amounts due to Group undertakings	0.2	-

#### 10 Creditors

*Amounts falling due within one year*

	<b>31 March 2022 £ m</b>	<b>31 March 2021 £ m</b>
Trade creditors	0.1	0.3
Amounts due to Group undertakings	0.2	0.1
	0.3	0.4

*Amounts falling due after more than one year*

	<b>31 March 2022 £ m</b>	<b>31 March 2021 £ m</b>
Amounts due to Group undertakings	2.4	1.2

The amounts disclosed in the balance sheet as owed to related parties and falling due after more than one year are in respect of amounts advanced to the company by its ultimate parent SSE plc. Interest is charged at 4.01% (2021: 4.01%). There is no fixed repayment term for the amounts disclosed as owed to related parties and it has been confirmed by SSE plc that the amounts will not be called upon within the next twelve months.

## Optimal Power Networks Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

#### 11 Share capital

##### Allotted, called up and fully paid shares

	31 March 2022		31 March 2021	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

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#### 12 Parent and ultimate parent undertaking

The company's immediate parent is SSE Enterprise Limited.

The ultimate parent is SSE plc. These financial statements are available upon request 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](http://www.sse.com).

##### Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is SSE plc, incorporated in Scotland. The consolidated financial statements of the Group (which include the Company) are available from the Company Secretary, SSE plc, Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ or by accessing the parent company's website at [www.sse.com](http://www.sse.com).