

Registration number: 2340677

Power Asset Development Company Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2023

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POWER ASSET DEVELOPMENT COMPANY LIMITED

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POWER ASSET DEVELOPMENT COMPANY LIMITED

COMPANY INFORMATION

Directors Colin Burke
David P Mitchell

Company secretary Nicholas R Zentner

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

POWER ASSET DEVELOPMENT COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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

Principal activity

The principal activity of Power Asset Development Company Limited ("PADCo", "The Company") was the design, construction, renewal and financing of electrical distribution equipment for London Underground ("LUL"). The electrical distribution equipment was operated and maintained by a related party UK Power Networks Services Powerlink Limited ("Powerlink") as part of the Power Service Contract ("PSC") with LUL.

The PSC ended in 2013 after LUL exercised the option for Discretionary Termination under the terms of the contract. There were no transactions in the current year or the prior year related to the PSC.

The Balance Sheet on page 7 of the financial statements demonstrates PADCo's financial position at the year end, which comprises cash assets.

Ownership

The Company is a wholly owned subsidiary of the Group headed by UK Power Networks Holdings Limited (the "Group"), which owns and operates electricity distribution networks in London, the South East and the East of England serving over 8 million connected homes and businesses.

Review of the business

The result for the year before and after taxation was £nil (2022: £nil). Net assets at 31 March 2023 were £5,000 (2022: £5,000).

No dividends were paid in the current or prior year.

Key performance indicators

The key performance indicator used by the Board of Directors in their monitoring of the Company is the level of its cash reserves which is a measure of liquidity:

	2023	2022
	£ 000	£ 000
Cash and cash equivalent balances	<u>5</u>	<u>5</u>

Principal risks and uncertainties

Due to the nature of the assets and liabilities contained within the Company's balance sheet, the Directors consider credit risk on liquid funds to be the key financial risk. This risk is mitigated by a risk management framework, implemented on group wide basis, which includes the policy to only deposit funds with banks of strong financial standing with investment grade credit-ratings assigned by international credit agencies. A sub-committee of the Group Board, the Risk Management and Compliance Committee, oversees the risk management function and makes annual assessments of changes to significant risks and the effectiveness of the risk management processes.

POWER ASSET DEVELOPMENT COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Future developments and going concern

The Company has no further obligations under the PSC contract. The Directors continue to consider their options with regard to developing the business going forward.

Due to the current non-trading status of the Company, these financial statements are prepared on the basis that the Company is no longer a going concern. No adjustments have arisen as a result of ceasing to apply the going concern basis.

Approved by the Board on 16 August 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'CB', enclosed within a large, loopy oval shape.

Colin Burke
Director

POWER ASSET DEVELOPMENT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their Annual Report and the Unaudited Financial Statements of the Company for the year ended 31 March 2023.

Details of future developments and going concern are included in the Strategic Report on page 3 and form part of this report by cross reference.

Political contributions

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

Directors of the Company

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

Colin Burke

David P Mitchell

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

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

Exemption from audit

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

Approved by the Board on 16 August 2023 and signed on its behalf by:



Colin Burke
Director

POWER ASSET DEVELOPMENT COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors acknowledge their responsibilities for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

POWER ASSET DEVELOPMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £ 000	2022 £ 000
Turnover		-	-
Administrative expenses		-	-
Profit/(loss) before tax		-	-
Taxation	6	-	-
Profit/(loss) for the financial year		-	-

All results are derived from discontinued operations in both the current and preceding year.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	2023 £ 000	2022 £ 000
Profit/(loss) for the financial year	-	-
Total comprehensive income for the year	-	-

The notes on pages 9 to 11 form an integral part of these financial statements.

POWER ASSET DEVELOPMENT COMPANY LIMITED

BALANCE SHEET AS AT 31 MARCH 2023

	Note	2023 £ 000	2022 £ 000
Current assets			
Cash at bank and in hand		<u>5</u>	<u>5</u>
Net current assets		<u>5</u>	<u>5</u>
Net assets		<u>5</u>	<u>5</u>
capital and reserves			
Called up share capital	7	-	-
Profit and loss account	7	<u>5</u>	<u>5</u>
Shareholders' funds		<u>5</u>	<u>5</u>

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

Approved and authorised by the Board on 16 August 2023 and signed on its behalf by:



.....
Colin Burke
Director

The notes on pages 9 to 11 form an integral part of these financial statements.

POWER ASSET DEVELOPMENT COMPANY LIMITED

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

	Called Up Share capital £ 000	Profit and loss account £ 000	Total shareholders' funds £ 000
At 1 April 2021	<u>-</u>	<u>5</u>	<u>5</u>
At 31 March 2022	<u>-</u>	<u>5</u>	<u>5</u>

	Called up Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2022	<u>-</u>	<u>5</u>	<u>5</u>
At 31 March 2023	<u>-</u>	<u>5</u>	<u>5</u>

The notes on pages 9 to 11 form an integral part of these financial statements.

POWER ASSET DEVELOPMENT COMPANY LIMITED

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

1 General information

Power Asset Development Company Limited (the "Company") is incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The principal activities of the Company and the nature of the Company's operations are set out in the Strategic Report on pages 2 to 3.

The address of its registered office is:

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

2 Accounting policies

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

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

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

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

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

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

Going concern

As discussed in the strategic report the Company has no further obligations under the PSC contract. The Directors continue to consider their options with regard to developing the business going forward. Due to the current non-trading status of the Company, these financial statements are prepared on the basis that the Company is no longer a going concern. No adjustments have arisen as a result of ceasing to apply the going concern basis.

POWER ASSET DEVELOPMENT COMPANY LIMITED

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

2 Accounting policies (continued)

Taxation

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

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Such estimates and the associated assumptions would be based on historical experience or other factors that are considered to be relevant. Actual results may differ from these estimates. In the Directors' opinion there are no critical judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

4 Auditors' remuneration

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

5 Directors' emoluments and employee information

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

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

6 Taxation

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

7 Called up share capital and reserves

	2023	2022
	£	£
100 ordinary shares at £1 each	<u>100</u>	<u>100</u>

POWER ASSET DEVELOPMENT COMPANY LIMITED

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

8 Parent and ultimate parent undertaking

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

Newington House
237 Southwark Bridge Road
London
SE1 6NP

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

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

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

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

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

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