Electric Utility Business Plan

Irwell District Networks | Manchester

DOCUMENT GUIDE

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Proposed Manchester industrial district electricity network | 3 October 2026 | Model 1.0

A decision document for prospective founders and funders. Financial forecasts are conditional planning assumptions. No authorisation, quoted supplier terms or committed funding is claimed.

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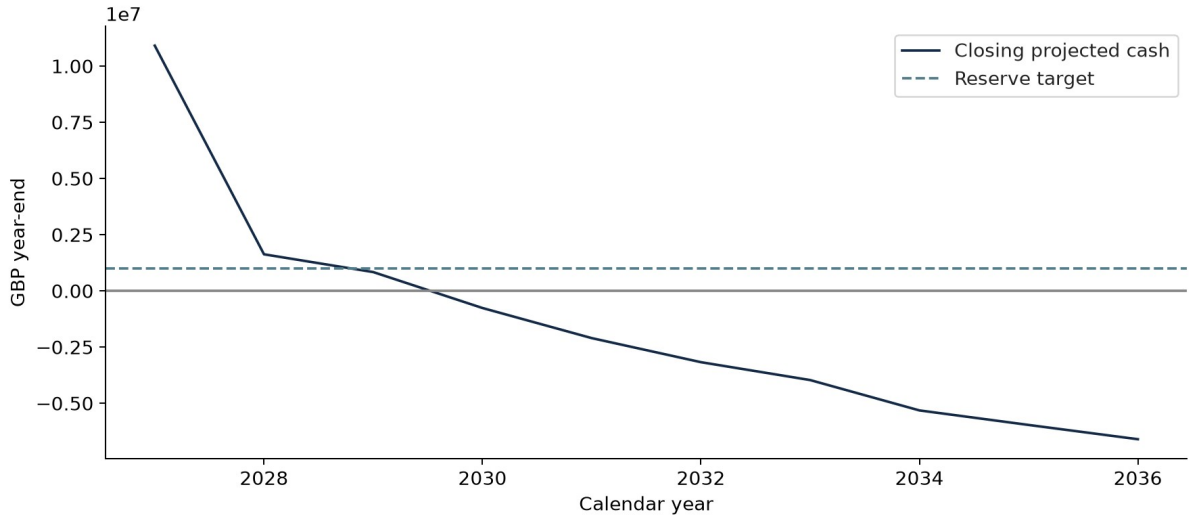
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01 / OVERVIEW

Executive summary

Irwell District Networks Ltd is a hypothetical Manchester electricity distributor for a new industrial district with a candidate envelope of 200 non-domestic meter points. It would own and maintain the last-mile network embedded in the host DNO network. Retail energy procurement and supply remain with separately licensed suppliers. No licence, grid offer, land rights, customer commitment or funding has been secured.

The decision is to fund a bounded feasibility stage only if it can resolve network rights and regulated charging economics. The ten-year Base forecast does not support construction approval: a positive late operating EBITDA does not repay the proposed debt or recover the equity investment. Losses and missing finance are explicit. This document addresses the prospective sponsor and lenders, who need enforceable inputs before commitments.



Base cash projection is a conditional planning calculation in GBP, 2027–2036. Negative values represent missing finance.

02 / OVERVIEW

Business details

The proposed UK private company would operate from Manchester, with a notional industrial estate control office and substation site. This is a concept, not an incorporated or operating licensee. The name is a working identifier, not a claim of registered ownership. The activity is electricity distribution, not electricity retail supply, generation or trading.

Use Great Britain distribution licence requirements and local host network connection processes as the legal starting point. Ofgem lists distribution and supply as distinct licence categories [S2]. The development parcel, voltage design, network boundary and connection route require engineering and legal review. Only non-domestic loads enter this forecast; a residential expansion would require fresh charging and customer-protection work.

Field	Planning position
City and currency	Manchester United Kingdom GBP
Service boundary	Licensed last-mile non-domestic distribution
Initial envelope	200 candidate meter points
Forecast	2027–2036 annual infrastructure budget
Current stage	Unsecured pre-feasibility concept

03 / STRATEGY

Business concept and objectives

The concept is a locally accountable district network with transparent connection milestones, asset records and outage escalation. Developers would obtain a defined adoption and operation scope, while connected businesses retain their lawful supplier arrangements. No faster connection or cheaper bill is promised without a host offer and approved charging method.

Year-one objectives are evidence gates: secure sponsor authority, commission a load study, determine licence applicability and obtain a complete installed scope. The economic objective is positive cash after debt service under justified charges, not revenue growth alone. Stop if a permissible network margin cannot cover paid staff, upstream costs, losses, maintenance and replacement.

Gate	Measurable deliverable
Legal	Written licence and network boundary opinion
Engineering	Interval demand and protection study
Commercial	Host quote and lawful DUoS methodology
Capital	Funded monthly build and operating liquidity plan

04 / STRATEGY

Business model canvas

The network earns distribution use of system receipts and a notional network standing charge. Those receipts must follow applicable licence and charging arrangements. The model deducts host DUoS and conservative allocated loss procurement, rather than treating the entire electricity bill as utility revenue. No energy resale or generation income is included.

Partners provide construction, emergency response, settlement interfaces, payroll and specialist legal support. The paid core team manages safety, asset acceptance, customer records and invoices. The proposed network needs a credible boundary between the developer, host DNO, licensee and suppliers to prevent double counting of assets or charges.



Proposed distribution operating model. Every commercial and regulatory relationship remains unsecured.

05 / STRATEGY

SWOT and longer term goals

Strengths are design choices: a bounded footprint and explicit asset-to-customer records can simplify inspection and reconciliation. They are not proven operating capabilities. Weaknesses include the small economic scale, unvalidated tariffs, no load observations and substantial capital exposure before revenue.

An industrial development could offer repeatable connection phases, but this opportunity is unverified. Host connection delays, insufficient legal rights, cost overruns and outages threaten the plan. Longer-term expansion is conditional on a first network that funds replacement and debt service. No geographic expansion enters the financial horizon.



SWOT distinguishes proposed capabilities from evidence gaps and external constraints.

06 / STRATEGY

TOWS strategy matrix

Use the bounded footprint to require phased signed developer commitments before release of construction spending. Turn the lack of load evidence into a paid metering and diversity study before equipment specification. Link each strategy to a director-owned gate, rather than treating SWOT as an assurance.

Protect against high supplier and host bargaining power through complete installed quotes and defined acceptance criteria. Where charging margins fail the cash test, negotiate scope and capital structure or stop. Emergency response must be contracted and tested before energisation, regardless of an attractive market narrative.



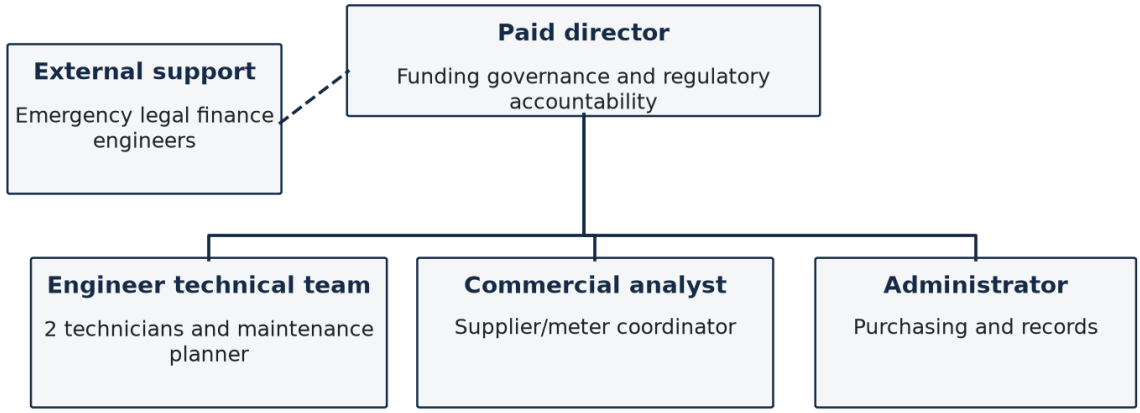
TOWS actions identify the responsible owner and the evidence required for a decision.

07 / PEOPLE

Owner and management

A paid director owns funding, regulatory accountability, procurement and the safe operating governance system. The network engineer directs technical acceptance and switching authority. The commercial analyst reconciles meter data and host/supplier invoices. No individual is claimed to possess authorisations or prior utility experience.

The board would use independent engineering, legal and finance advisers before major releases. An outsourced emergency contractor supports the proposed eight-person Base team; eight office and field roles do not provide a continuously staffed control room. Reporting lines and escalation responsibility must be written into contracts.



Solid lines show proposed internal reporting. Dashed lines indicate external professional and emergency support.

08 / PEOPLE

Owner and key personnel profiles

The director role requires infrastructure finance, contract governance and regulatory reporting competence. The engineer needs distribution design, protection, earthing and safe switching competence appropriate to the actual voltage. Two technicians and a maintenance planner need documented task-specific authority and supervision.

The analyst needs metering, settlement and DUoS reconciliation skills. The coordinator manages developer and supplier records, while the administrator maintains purchasing and payroll records. Recruit against demonstrable qualifications and authorisations, verify competence before work and provide backup cover. These role specifications are not invented biographies.

Role	Evidence before appointment
Director	Infrastructure governance and funded accountability
Engineer	Protection design and electrical authority
Technicians and planner	Safe work competence and supervised assessments
Analyst and coordinator	Meter and charge reconciliation exercises

09 / MARKET

Target customers

The economic customers include developers requesting network adoption and licensed suppliers through DUoS settlement. Connected industrial businesses are the service users affected by capacity, interruption and connection performance. They should not be treated as discretionary household subscribers who can simply choose the district network each month.

The 200 meter-point envelope and 150 MWh annual consumption per active Base business are hypotheses, not a counted address list. Validate development phasing, tenancy, processes, electrification and permitted capacity. The customer count represents average energised occupancy, while the host connection and tariff boundary determine the actual billable volume.

Participant	Need to validate
Developer	Adoption scope title phase obligations
Supplier	Meter registration charge and settlement interface
Business occupier	Interval demand reliability and capacity requirements
Host DNO	Network boundary capacity protection and payments

10 / STRATEGY

Segmentation targeting and positioning

Segment by development phase, voltage, interval demand, load criticality and the party responsible for charges. Target a compact industrial development that can demonstrate land rights, committed occupation and fundable technical scope. Exclude critical medical loads, generation export and residential loads from the initial assumptions.

Position on documented connection acceptance, transparent charges and clear interruption communications. Reliability levels require engineering evidence and a tested response capability. The plan does not assert competitive superiority or a lower total electricity price; suppliers set separate energy supply terms.



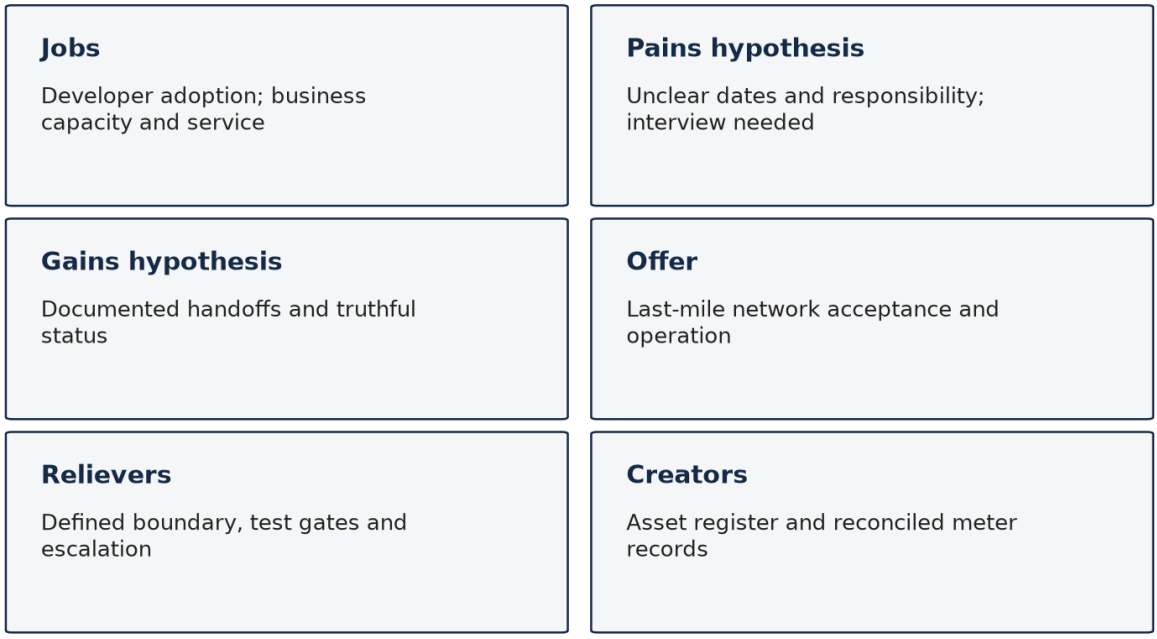
Targeting is a proposed qualification rule; no segment demand has been independently measured.

11 / STRATEGY

Value proposition canvas

Developers need accepted network assets and a dependable adoption route. Businesses need predictable capacity and clear outage handling. Their pain can arise from ambiguous responsibilities and conflicting commissioning dates, but local interviews are needed before these are treated as observed findings.

The proposed offer provides a written boundary, asset register, commissioning checklist and escalation process. Those tools reduce uncertainty only if backed by competent staff and enforceable contracts. Avoid promising uninterrupted electricity or guaranteed energisation dates before host and licensee acceptance.



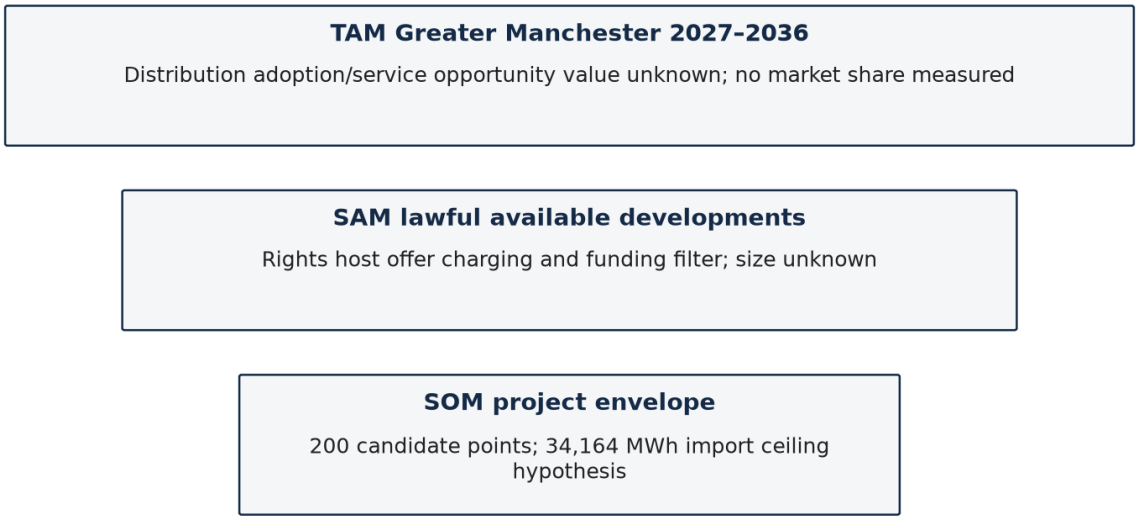
Hypothesised jobs and pain points must be validated with developers suppliers and industrial occupiers.

12 / MARKET

Market size and trends

TAM is the value of addressable non-domestic distribution adoption and service opportunities in Greater Manchester during 2027–2036. SAM narrows that to developments with legally available network ownership, host capacity and lawful charging economics. Neither can be reliably quantified from the sources reviewed, so no monetary market size is invented.

The initial SOM is a candidate project envelope of 200 points, not a market share forecast. The annual imported-energy ceiling is 6 MW times 8,760 hours times a 65% planning load factor, or 34,164 MWh before losses. That calculation describes capacity; it does not validate tenant demand or instantaneous peak performance.



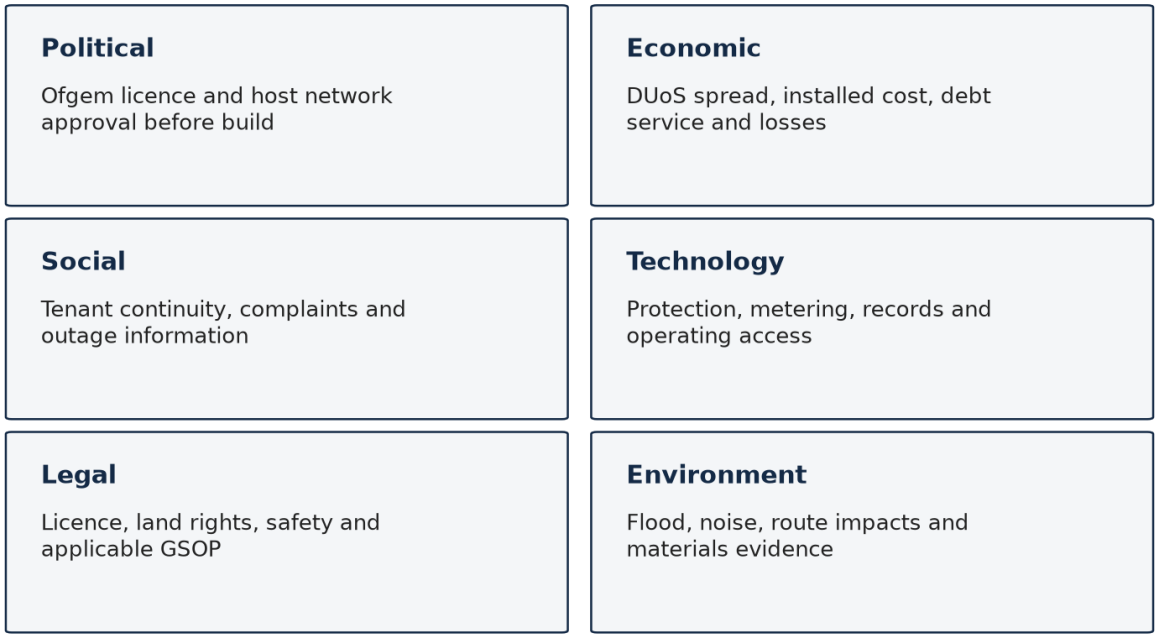
TAM and SAM remain unquantified. SOM is a hypothetical project envelope, not a validated share of the market.

13 / STRATEGY

PESTLE analysis

Political and legal factors centre on Ofgem licence conditions, published charging methodologies and electricity safety. The economic factors are installed cost, host DUoS, loss allocation and funding terms. Social factors include industrial tenant continuity and clear outage communication.

Technology requires protection coordination, reliable meters and controlled operational systems. Environmental work requires site-specific drainage, noise, material and flood assessments. These factors enter project gates and financial sensitivities; broad electrification interest cannot replace a host grid offer or interval-load evidence.



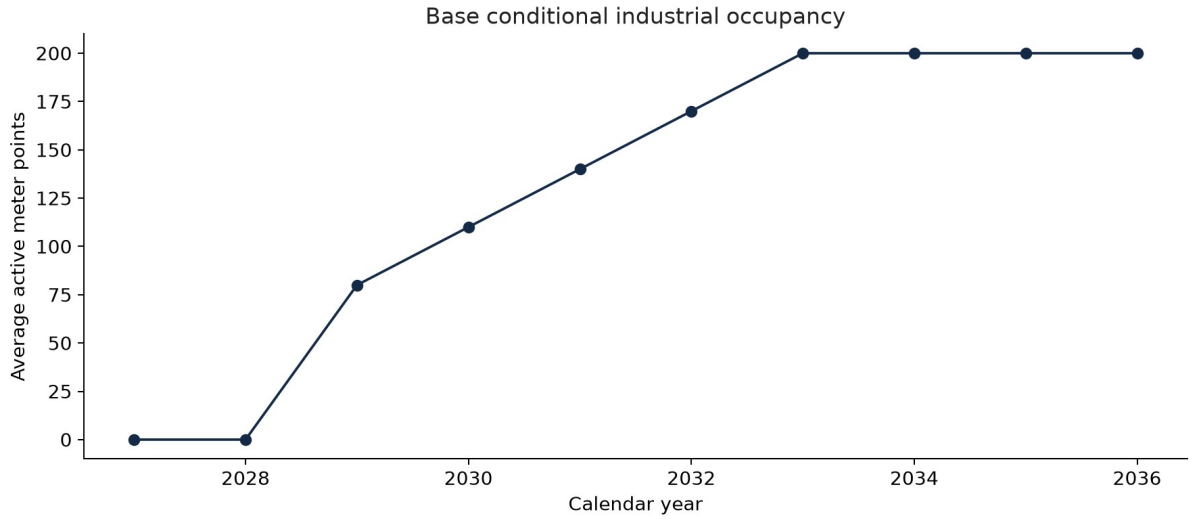
Six factors show business-specific responses and the evidence still needed.

14 / MARKET

Local demand and evidence

The sources establish an electricity distribution regulatory framework and a host network connection process, not demand for this project. Electricity North West offers routes for large connections and competition in connections [S7]. Ofgem recognises independent networks and publishes licence holders [S1 S2]. No inference of unallocated grid capacity follows.

Collect interval demand from authorised prospective occupiers, signed developer phases, tenant dates and a host capacity response. Test connection readiness and peak diversity with a qualified engineer. The forecast is a loading hypothesis: commissioning in 2029, 40% average occupied points initially, then 15 percentage-point annual increases capped at 100%.



Conditional Base annual loading hypothesis. No observed customer orders or local survey is presented.

15 / MARKET

Competitors and positioning

Competing adoption routes include the host DNO and existing licensed independent networks. Ofgem's licensee list is a starting point for due diligence [S2], not proof that any competitor bids on this parcel. Developers may prefer an established operator with recognised process capability and funding.

Compare exact scope, adoption value, retained liabilities, maintenance, response and lawful charges using written proposals. There are no fabricated competitor prices, ratings or observed service levels. The proposed eight-person team and standalone cost burden are disadvantages that must be tested against outsourcing and established operator alternatives.

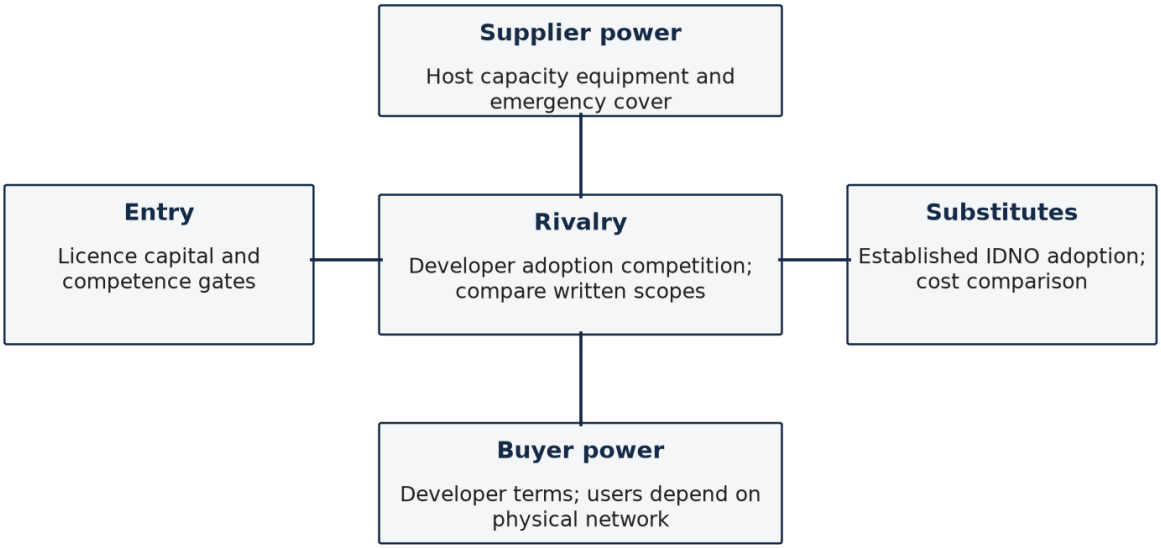
Alternative	Required comparison
Host DNO	Connection scope adoption dates and charges
Existing IDNO	Asset adoption terms and maintenance commitments
Developer retained network	Legal applicability competent operation and lifetime costs

16 / STRATEGY

Porter five forces

Rivalry occurs mainly in developer adoption and network procurement rather than monthly retail energy switching. Supplier power is high where host capacity, protection equipment or safe emergency response has few substitutes. Developers can negotiate commercial scope, while connected users depend on the physical network.

New entry requires capital, licence capability and safe operation. Alternative adoption by an established operator can remove the need for this standalone business. Respond through documented boundaries, quotes and a funded continuity plan. These are qualitative force assessments, not scored market observations.



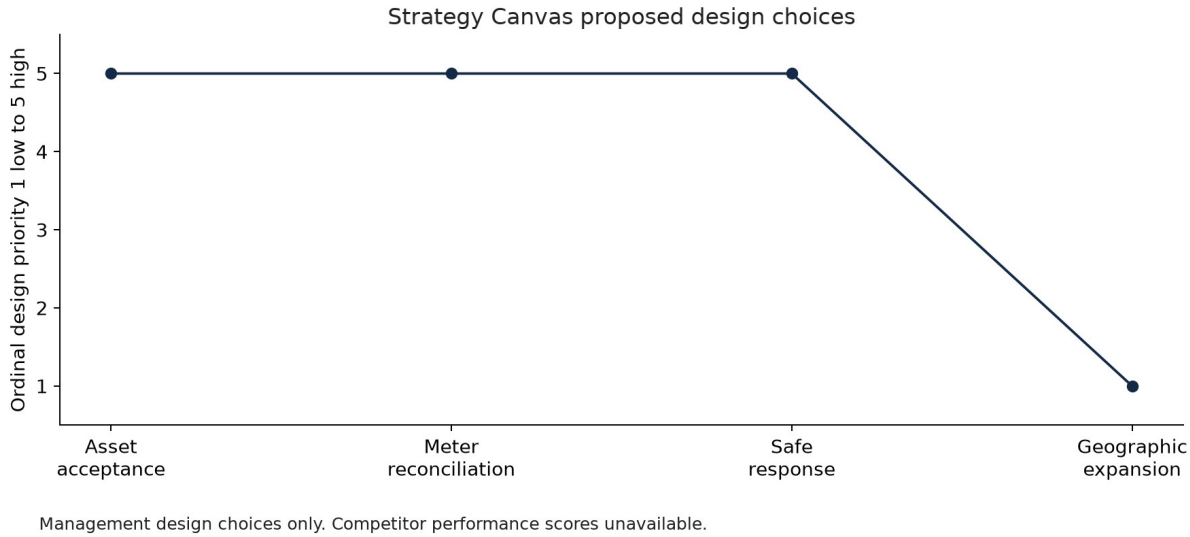
Rivalry is central. Four surrounding forces identify constraints and responses without invented ratings.

17 / STRATEGY

Strategy canvas

The canvas plots proposed design priorities only: documented asset acceptance, metering reconciliation and safe response take priority over rapid geographic expansion. The ratings are ordinal management choices with no statistical meaning. Competitor scores are unavailable and therefore omitted.

Use actual written competitor scopes before claiming differentiation. A high planned response priority does not mean the company already has better outage performance. The cash model charges for emergency support and paid core staff so these choices carry a visible economic cost.



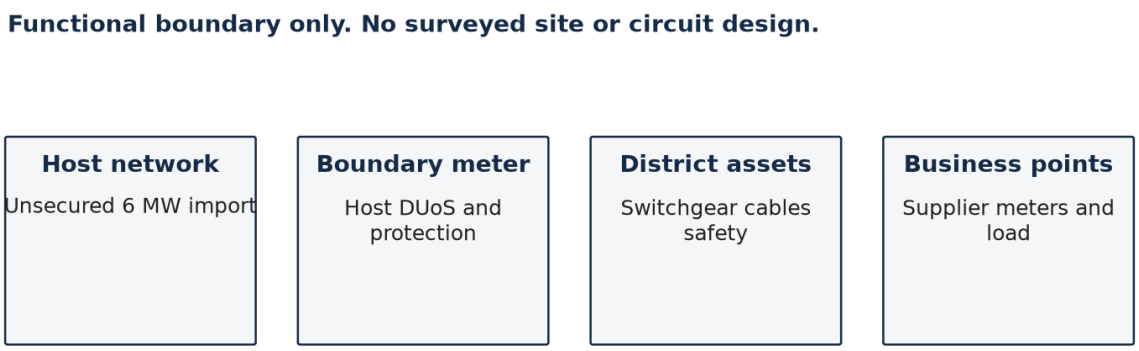
Design priorities on a 1–5 ordinal scale. No competitor performance is inferred.

18 / OPERATIONS

Location and premises

The site concept is a Manchester industrial district with an upstream connection, primary switchgear and distributed cable routes. No parcel, easement, lease, planning consent or flood assessment is secured. The £400,000 refundable Base deposit allowance is a planning placeholder and does not reserve capacity or title.

Obtain surveys for existing services, route access, substation clearances, ground conditions, noise, flood exposure and emergency approach. A functional diagram cannot serve as an electrical single-line design. Separate the developer's construction boundaries and tenant installations from the assets adopted by the proposed distributor.



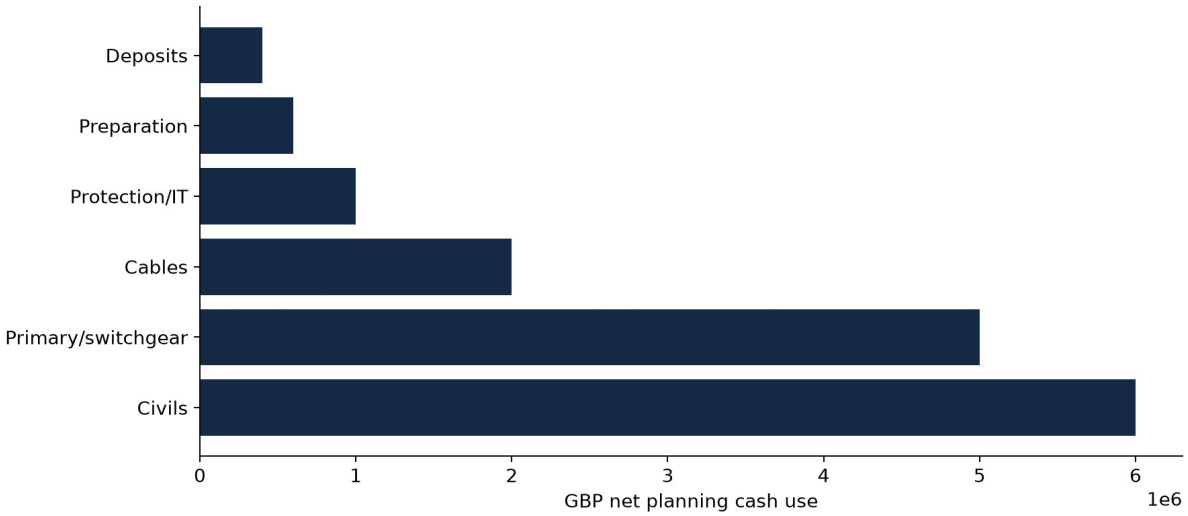
Functional network boundary only. No surveyed layout, circuit design or property rights are implied.

19 / OPERATIONS

Equipment and resource plan

The Base initial £14 million net capex hypothesis comprises £6 million civil works, £5 million primary and switchgear, £2 million cables and £1 million protection and operating IT. It is an installed-scope allowance, not supplier quotations. Test whether upstream reinforcement, legal access and all reinstatement are actually included.

Spend 45% in 2027 and 55% in 2028. Hold the network in construction in progress until the commissioning gate. The model uses a 40-year composite book life; an actual component register must separate useful lives and tax allowances. A £600,000 monitoring/protection addition in 2034 is incremental, with a separate ten-year life and no invented disposal proceeds.



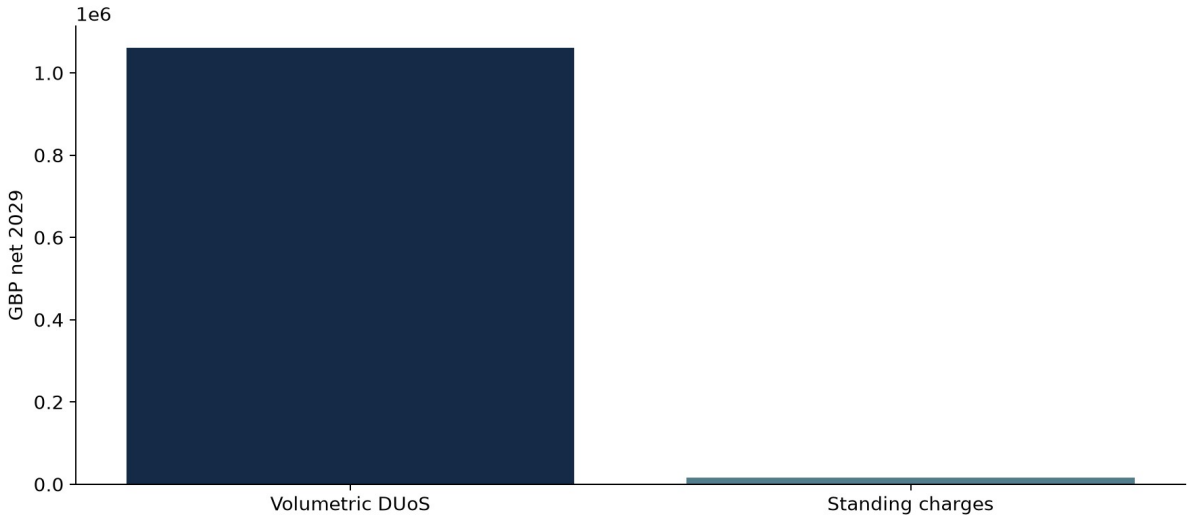
Base capital and preparation uses in GBP, excluding recoverable VAT from net construction categories.

20 / OPERATIONS

Network services and product strategy

The initial service is non-domestic last-mile electricity distribution and asset maintenance. There is no generation, battery trading, energy retailing or EV charging service in the forecast. Meter registration, supplier interfaces, safe connection acceptance and emergency escalation are essential to the operating product.

Use one auditable network boundary and charge method before offering additional services. No connection adoption receipts or grants are assumed; construction is financed by proposed capital sources. If developer contributions become contracted, amend their cash timing and accounting rather than adding them directly to recurring distribution income.



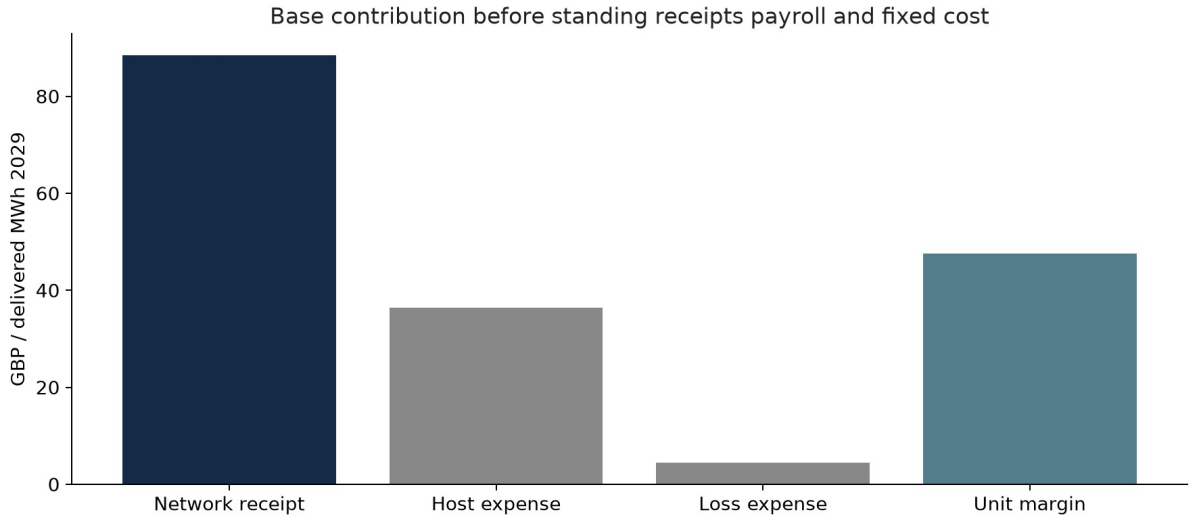
Base 2029 model receipts split between volumetric network charges and standing network charges; not energy sales.

21 / OPERATIONS

Pricing and network economics

Base assumes an £85/MWh gross network receipt, a £35/MWh host DUoS expense and a £200 annual standing network charge per active point, with 2% annual price growth from 2027. These are blended non-domestic planning values, not an approved methodology, published tariff or supplier quote. They are not the total customer energy bill.

Ofgem describes IDNO margins as the difference between equivalent host tariffs and discounted host charges [S1]. Domestic tariff caps differ from the proposed non-domestic scope. Validate voltage-specific settlement, loss factors and any pass-through before using these blended assumptions. The model separately expenses allocated loss energy and does not assume its recovery.



2029 Base per-MWh contribution before standing receipts, payroll and fixed expense; GBP per delivered MWh.

22 / MARKET

Competitor price comparison

No comparable written network proposals were obtained. Published tariff schedules alone may not make competing adoption scopes equivalent: voltage, connection capacity, host cost and retained developer liabilities matter. Do not insert retail electricity offers into a distribution-only price comparison.

Create a comparison file only after obtaining the same circuit and boundary scope from each eligible operator. Separate one-off adoption consideration, ongoing DUoS, standing charges, loss treatment, supplier settlement and outage responsibilities. The planning charge remains an economic sensitivity until this work is complete.

Field	Evidence required
Network receipts	Applicable methodology and tariff class
Host cost	Discounted host DUoS and boundary voltage
Adoption	Installed scope ownership and consideration
Losses	Settlement allocation and procurement responsibility

23 / CUSTOMER

Brand and customer experience

Use the working name Irwell District Networks with plain service boundaries. Explain which party owns the network, who supplies retail energy and who handles a fault. Avoid green-energy or uninterrupted-power claims without corresponding contracts and measured evidence.

Provide a tested escalation route, planned interruption notices and accessible complaint records. Ofgem’s 2026 guaranteed standards update confirms prescribed payments for failures in specified distribution standards [S3]; statutory duties cannot be replaced by marketing promises. Establish a contingency process and legal review rather than inventing an outage frequency allowance.



Proposed connection and fault journey with explicit handoffs between developer network and suppliers.

24 / SALES

Sales channels and process

The commercial route starts with a developer or estate owner able to grant network rights. Qualify the parcel, host offer, load schedule, adoption boundary and funding before quoting. The analyst and coordinator then establish meter and supplier processes for energised businesses.

A signed developer agreement is insufficient if licence, technical acceptance or funding remains open. No individual employee can promise a live date before all gates close. Records should follow a stable project and meter identity from enquiry through adoption, commissioning, invoicing and faults.

Stage	Release evidence
Qualify	Authority parcel phasing and load
Design	Host response protection and complete scope
Contract	Rights lawful charges and funded obligations
Accept	Witness tests asset register and emergency exercise
Operate	Registered meters reconciled data and invoices

25 / SALES

Launch marketing

Initial marketing is direct developer qualification and technical proposal work. The £60,000 annual administration component within fixed operating expense includes site-office occupancy, business rates, outreach and proposal preparation; its combined scope is unquoted and must be separately priced; there is no separate uncosted advertising programme. Preparation studies and legal work are budgeted in 2026.

Record qualified opportunities, rejection reasons and proposal expense. Do not equate an enquiry with a load commitment. Marketing spending cannot cure an uneconomic charging boundary or accelerate unallocated host capacity. Continue feasibility work only against a capped approved budget.

Measure	Purpose
Qualified parcel	Evidence of legal and technical fit
Signed phase	Defined responsibility and energisation conditions
Proposal cost	Budget control before capex
Rejected project	Avoid repeated unsuitable scope

26 / CUSTOMER

Retention and ongoing sales

Retention means competent network stewardship and trustworthy developer and supplier relationships. Physical network users are not modeled with café-style churn. Average active point count increases with hypothetical industrial occupation, capped at the candidate envelope.

Monitor interruptions, invoice disputes, data completeness and planned-maintenance communication. Expansion must use a new host and capital assessment; there is no expansion revenue beyond the 200-point envelope. No renewal probability, observed satisfaction score or automatic tariff reset is claimed.

Control	Record
Outages	Incident clocks actions and applicable payments
Charges	Meter volume tariff class host invoice reconciliation
Assets	Inspection defects renewal and safe-work records
Occupancy	Actual registered points and interval load

27 / OPERATIONS

Daily operations and suppliers

Operate a documented safe switching and isolation system with competent authorised staff and a contracted emergency response provider. The £180,000 emergency allowance is within fixed operating expense, not proof of 24-hour coverage. Written response times, escalation, contingency and absence cover are prerequisites.

Reconcile host boundary meters, downstream deliveries and losses. Maintain protection settings, inspection schedules, asset serials and fault records. HSE provides ESQCR incident reporting guidance [S6]; determine the reportable incident route with competent advisers. Data and operational access must be controlled and backed up.

Frequency	Operating control
Continuous external support	Alarms dispatch and escalation
Daily staffed review	Faults permits work and exceptions
Monthly	Meters invoices losses cash and incidents
Scheduled	Inspection protection test and maintenance

28 / OPERATIONS

Sustainability practices

Meter imported and delivered energy to measure losses within a consistent boundary. The 5% Base loss share is a hypothesis, not achieved efficiency. Track cable and switchgear reuse, waste transfer evidence, leak checks where relevant and safe end-of-life disposal.

Do not claim renewable electricity or carbon neutrality from a distribution asset alone. Supplier energy mix and generation claims sit outside this model. Evaluate site flood risk, storm response and material choices through qualified design. Environmental contingencies must be priced before construction rather than left as uncosted commitments.

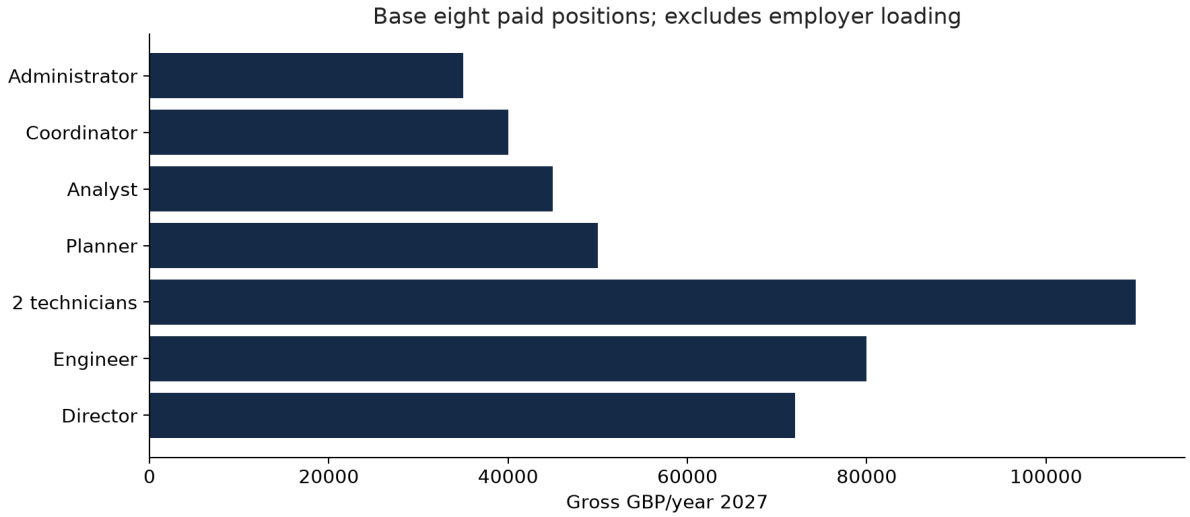
Topic	Required evidence
Losses	Boundary metering and validated factors
Materials	Inventory recovery and disposal records
Site impacts	Noise drainage flood and route assessments
Claims	Measured boundary and traceable substantiation

29 / PEOPLE

Staffing and training

Base pays a director £72,000 and seven other employees totaling £360,000 gross annually. The other roles are engineer £80,000, two technicians £55,000 each, planner £50,000, analyst £45,000, coordinator £40,000 and administrator £35,000. A 22% employer-cost allowance yields £527,040 initial total payroll. This allowance is not a statutory contribution calculation.

All eight roles are paid from 2027, including during delayed commissioning, and payroll grows 3% annually. The Upside adds one £60,000 technician and uses the same loading. External construction and emergency support are separately budgeted. Verify qualifications, shift design, holiday and payroll compliance before hiring.



Base eight paid roles and gross annual salary hypotheses. Employer loading and external support are separate.

30 / PEOPLE

Staff skills and fair work

Employ staff on a proposed 37.5-hour working week, with additional hours and callout only under a reviewed paid rota. The administrator's £35,000 gross annual budget equates to approximately £17.95 per contracted hour before paid leave treatment. No statutory 2027 wage prediction is asserted.

Training must cover electrical authority, emergency drills, permit control, incident reporting, meter records and supplier interfaces. Confirm actual employment terms, pension, employer contributions and working-time requirements with payroll and legal advisers. Use a competent contractor to fill emergency gaps; a salaried director is not an unlimited safety resource.

Capability	Verification
Electrical work	Authorisation and observed safe-work assessment
Control response	Alarm incident and restoration exercises
Records	Meter identity invoice and privacy checks
Fair work	Paid hours rest holiday and statutory payroll review

31 / COMPLIANCE

Legal and insurance requirements

The plan assumes it will obtain an appropriate electricity distribution licence; no licence or exemption is claimed. Ofgem distinguishes independent distribution operators from energy suppliers [S1 S2]. Verify the precise licence conditions, financial ring fencing, charging obligations and application requirements before selecting the ownership structure.

Obtain grid connection, land rights, planning and electrical safety approvals, statutory incident processes and metering agreements. Commission reviewed contracts and bound employer, public, professional, asset and cyber cover. The £60,000 annual insurance allowance is a budget only. GSOP payments [S3] require a funded response process and refreshed applicable schedules.

Gate	Evidence
Authority	Licence or independently established lawful route
Site and grid	Enforceable rights offer and approved engineering
Consumers and suppliers	Charges meter interfaces standards and complaint process
Insurance	Bound cover with limits exclusions and claims route

32 / IMPLEMENTATION

Opening roadmap

Preparation in 2026 costs £600,000 net, including a paid director and expert legal/design work. Proposed capital must be committed before preparation obligations. The model draws £12 million equity and £8 million loan at day zero; no draw is actually secured. Full core payroll and fixed overhead run from January 2027.

Build is assumed in 2027 and 2028 with first full service year 2029. Delaying commissioning leaves the paid team, fixed costs and cash interest running. Before energisation verify licence, host acceptance, protection, asset documentation, meter registration, emergency response and funded liquidity. The ten-year annual model cannot prove month-by-month build funding.

Stage	Release condition
2026 preparation	Capped studies and committed sponsor funding
2027–2028 build	Rights scope host offer and cash programme
2029 initial operation	Safe acceptance registered meters and tested response
2034 renewal	Separate funded scope and acceptance

33 / RISK

Risks and management actions

The Base cannot fund its proposed obligations despite positive EBITDA later in the horizon. The gross receipt and host DUoS spread may not be lawfully or commercially achievable. Unsecured grid, land and licence conditions can strand construction capital. The 6 MW annual energy ceiling does not demonstrate adequate instantaneous peak capacity.

Use stop gates for licence, rights, host offer, engineering and finance. A negative model cash balance is an unfunded deficit, not a sanctioned overdraft. Before release, construct a monthly cash plan including VAT timing, contract milestones, outage contingencies and debt covenants. Review adoption by an established IDNO or a reduced-cost scope as alternatives, without assuming they are available.

Risk	Management response
Charging margin	Verify method and compare permissible net spread
Licence grid and rights	No construction obligations while unresolved
Technical safety	Independent protection peak and acceptance studies
Liquidity	Fund monthly reserves before contracts
Outage and compensation	Funded emergency scope and tested process

34 / EVIDENCE

Research and evidence

Primary sources reviewed on 3 October 2026 include Ofgem IDNO arrangements, licensee categories and 2026 guaranteed standards updates; HMRC VAT and corporation-tax context; HSE ESQCR incident guidance; and Electricity North West's connection routes. They establish general context and do not validate this project's site, tariffs, load, licence, finance or costs.

The actual utility reference workbook, builder and design were inspected. Its separation of construction in progress, commissioning, depreciation, debt, three statements and credit ratios informed a new model. Its US rate-base return, automatic equity/revolver funding, tax depreciation and billion-dollar assumptions were not imported into a GB independent district network. This is reference-inspired reconstruction.

Source groups	Use
S1–S3 Ofgem	Licence charging and distribution standards context
S4–S5 HMRC	VAT and conservative tax provision context
S6 HSE	Incident reporting route
S7 Host DNO	Application process only, no reserved capacity

S1 Ofgem IDNO arrangements 2023 https://www.ofgem.gov.uk/sites/default/files/2023-10/Open%20letter%20on%20IDNOs%20-%20Oct-23-Final.pdf

S2 Ofgem licensees August2026 https://www.ofgem.gov.uk/data/list-all-electricity-licensees-including-suppliers

S3 GSOP payments April2026 https://www.ofgem.gov.uk/sites/default/files/2026-03/Guaranteed%20Standards%20of%20Performance%20payment%20update%202026.pdf

S4 HMRC fuel and power VAT https://www.gov.uk/guidance/vat-on-fuel-and-power-notice-70119

S5 HMRC corporation tax rates https://www.gov.uk/government/publications/rates-and-allowances-corporation-tax/rates-and-allowances-corporation-tax

S6 HSE electricity safety quality continuity https://www.hse.gov.uk/esqcr/

S7 Electricity North West connections https://www.enwl.co.uk/get-connected/

35 / EVIDENCE

Quotes and assumptions

The model uses a hypothetical 200-point envelope and must be replaced with surveyed parcels, authorised occupier load profiles and committed phase dates. Obtain full installed quotations including upstream reinforcement, civils, protection, access, reinstatement, inspection and defects obligations. No supplier quotation is invented.

Confirm lawful DUoS methodology, host discounts, loss responsibility, VAT eligibility and recovery, tax allowances, insurance, competence and debt terms. All capital sources and deposits are unsecured. Every supported input change requires recalculation of cases, charts, model results and the integrated Word document.

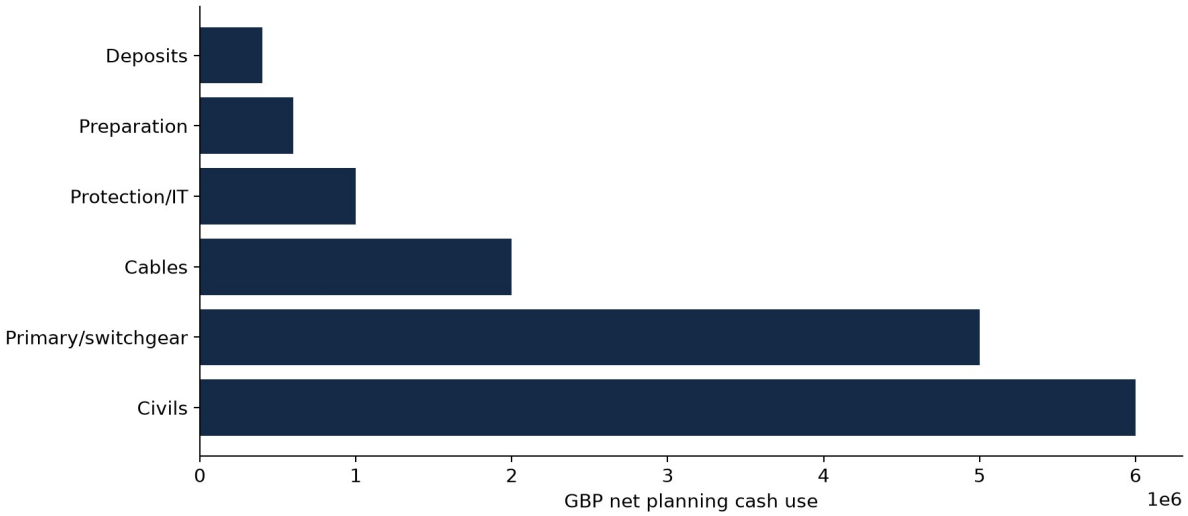
Input family	Evidence needed
Demand	Meter identities interval load occupancy and phasing
Assets	Survey approved design installed quotes and component lives
Charges	Applicable host and own published methodologies
Operating costs	Paid staffing insurance emergency and maintenance scopes
Funding	Signed sources covenants draw schedule and monthly cash

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Startup costs and funding

Proposed day-zero sources are £12 million equity and £8 million term debt. Preparation expense £600,000, refundable deposits £400,000 and £102,432 input VAT paid leave £18,897,568 cash before 2027 construction. No equity, loan or VAT refund is secured. Initial construction then costs £14 million net over two years.

Base minimum annual cash is (6,597,158) GBP. Maintaining the £1 million planning reserve requires 7,597,158 GBP additional finance or economic redesign across the horizon. It is not an automatic equity injection. Even Upside remains underfunded. Annual balances do not replace a monthly construction liquidity plan.



Verified model v1.0 Base GBP 2027–2036. Whole-GBP rounding.

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Itemized startup costs

The preparation allowance includes a paid director £72,000 plus £15,840 employer allowance, expert work £312,160 and design/legal studies £200,000. Only the £512,160 non-payroll component (director and employer allowance excluded) is assumed VAT eligible. Deposits are refundable and held as assets, without VAT or amortisation. Construction invoices are paid immediately.

Base installed capex consists of civils £6 million, primary/switchgear £5 million, cables £2 million and protection/IT £1 million. These categories inform the composite asset budget; no component depreciation register or committed price exists. VAT recovery is an explicit timing assumption, not secured funding.

GBP	2027	2028	2029	2032	2036
Capital spending	6,300,000	7,700,000	–	–	–
Opening cash	**18,897,568**	**10,912,549**	**1,629,336**	**(2,098,875)**	**(5,962,365)**
Closing cash	**10,912,549**	**1,629,336**	**837,991**	**(3,170,081)**	**(6,597,158)**

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Owner personal survival budget

The owner receives £72,000 gross annual salary from the company in 2027, rising with the 3% Base cost escalation. Company payroll includes employer loading. The 2026 preparation budget separately pays the director £72,000 for the preparation year; no unpaid work is assumed.

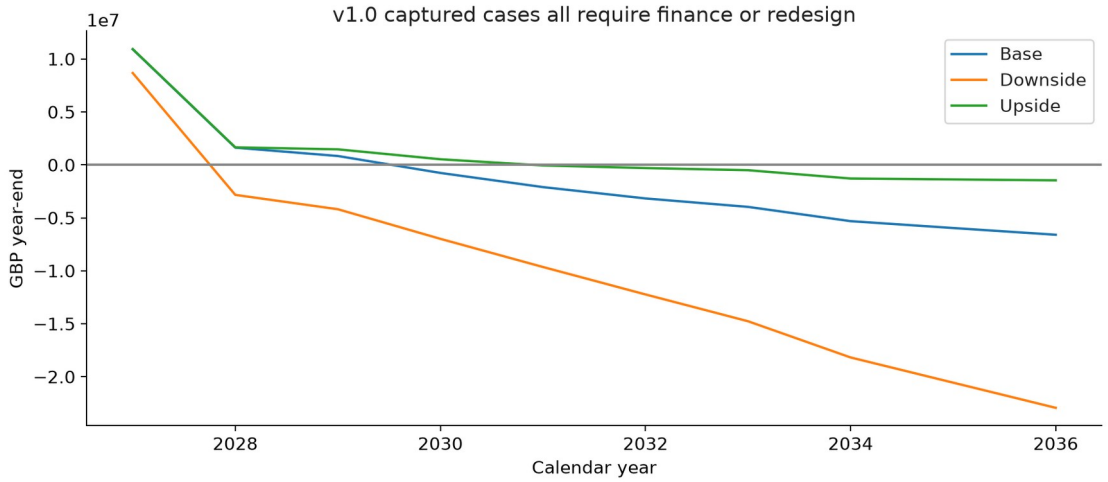
A household retention hypothesis of 65% yields £46,800 initial net pay versus £42,000 spending (£24,000 housing, £12,000 living and £6,000 travel), leaving £4,800 annual household surplus. This is not a personal-tax calculation, dividend promise or evidence the owner can invest £12 million. Salary remains a real cash cost when network receipts are delayed.

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Financing terms and security

The proposed £8 million loan is drawn at day zero and carries 7.5% annual Base cash interest on opening debt. Interest is paid throughout construction and expensed; no capitalised regulatory return is assumed. Principal grace lasts three forecast years, followed by equal annual principal of £666,667 over twelve years. Commissioning delay does not extend grace automatically.

Debt remaining at December 2036 is £3,333,333. No bullet repayment, refinance, terminal disposal, dividend or balancing facility is assumed. Security and licence ring-fencing must be reviewed before pledging assets. Base 2036 cash available for debt service divided by debt service is about 0.34 times, materially below full coverage.



Verified model v1.0 Base GBP 2027–2036. Whole-GBP rounding.

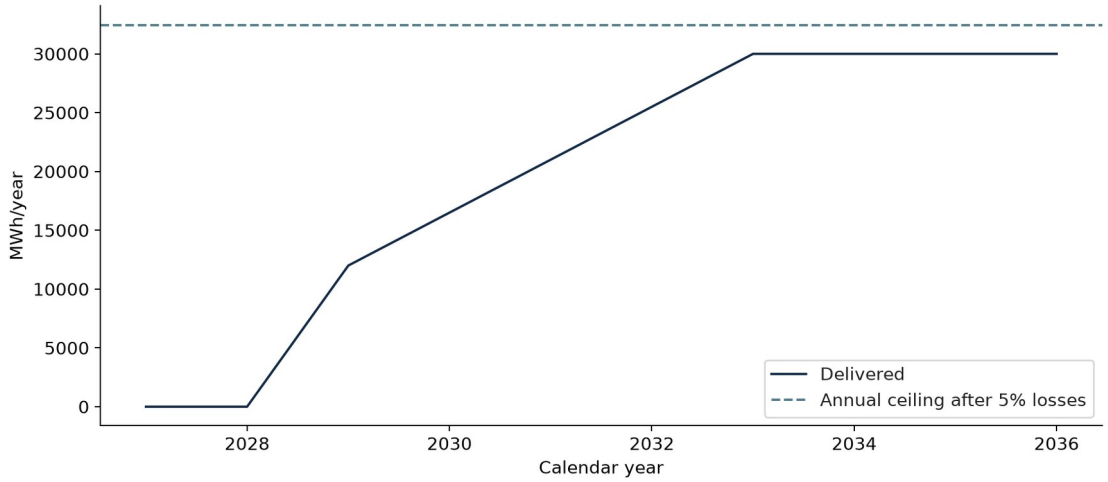
GBP	2027	2028	2029	2032	2036
Debt	8,000,000	8,000,000	8,000,000	6,000,000	3,333,333
Interest	600,000	600,000	600,000	500,000	300,000
Debt principal	–	–	–	666,667	666,667
Cash available for debt service	(1,085,019)	(983,214)	(191,344)	95,461	331,874

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Revenue forecast and capacity

Base commissioning starts in 2029 at 80 average active points and 12,000 delivered MWh. Occupancy rises to 200 points and 30,000 MWh at maturity. Energy delivered is capped at imported capacity after losses, although an annual cap cannot substitute for a peak and diversity study.

At 6 MW and a 65% load factor the import ceiling is 34,164 MWh. Base full occupancy imports 31,579 MWh and loses 1,579 MWh at a 5% loss share. No generation export or retail energy revenue exists. Charges inflate from the 2027 assumptions even before commissioning; actual permitted tariff schedules must replace this convention.



Verified model v1.0 Base GBP 2027–2036. Whole-GBP rounding.

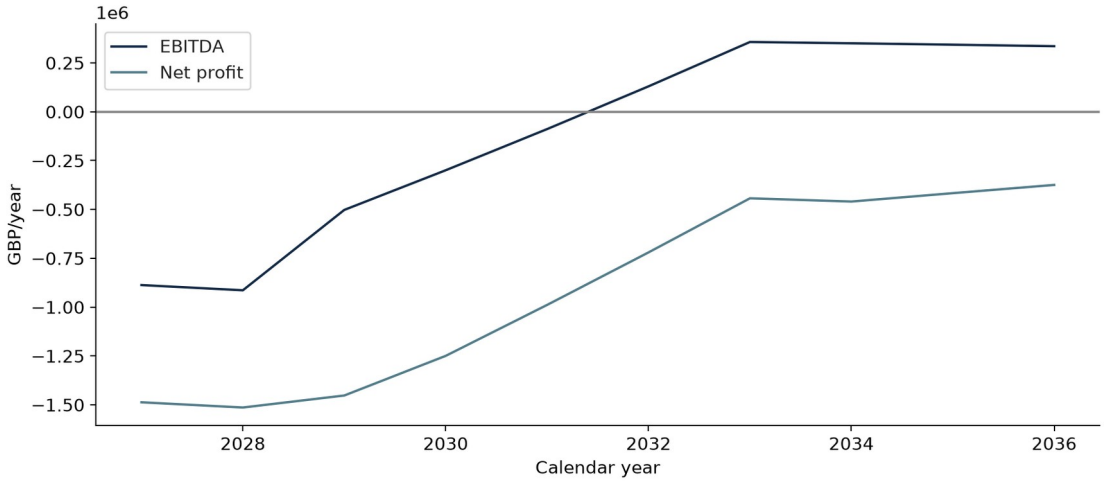
GBP	2027	2028	2029	2032	2036
Revenue	–	–	1,077,854	2,430,634	3,095,290
Average connected points	–	–	80	170	200
Delivered MWh	–	–	12,000	25,500	30,000
Imported energy MWh	–	–	12,632	26,842	31,579
Loss energy MWh	–	–	632	1,342	1,579

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Costs and projected profit

Gross network receipts are reduced by host DUoS and loss procurement before payroll and fixed costs. Initial Base payroll is £527,040 and fixed overhead is £360,000, including contracted emergency support. Routine maintenance begins only when commissioned, at 1% of initial capex with cost inflation.

The model pays the entire team and fixed overhead during construction. In 2036 Base EBITDA is 335,575 GBP but net profit remains (374,425) GBP after depreciation and cash interest. Positive EBITDA does not establish return of capital or debt affordability.



Verified model v1.0 Base GBP 2027–2036. Whole-GBP rounding.

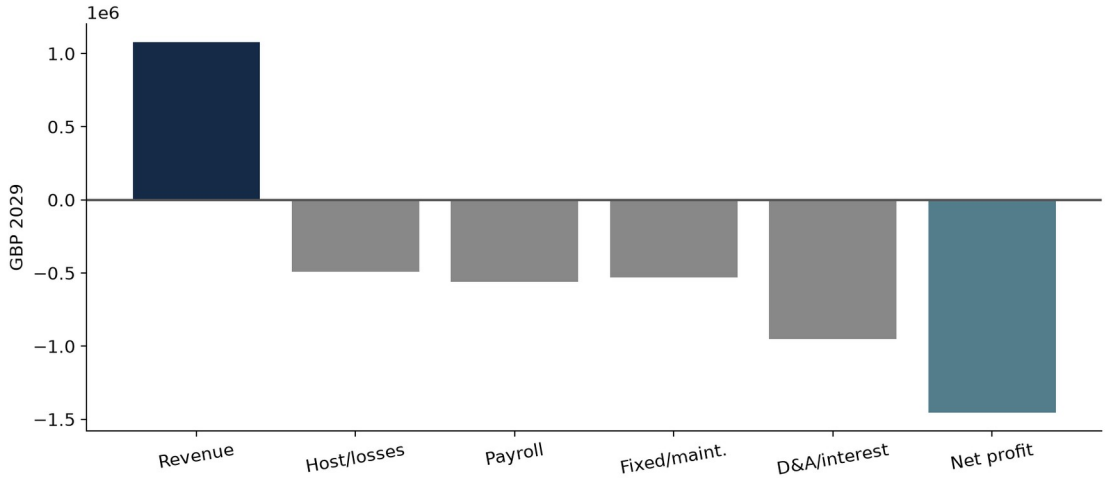
GBP	2027	2028	2029	2032	2036
Contribution	**–**	**–**	**587,283**	**1,320,772**	**1,675,629**
Payroll	527,040	542,851	559,137	610,984	687,668
Fixed and maintenance costs	360,000	370,800	530,450	579,637	652,387
EBITDA	**(887,040)**	**(913,651)**	**(502,304)**	**130,151**	**335,575**
Net profit	**(1,487,040)**	**(1,513,651)**	**(1,452,304)**	**(719,849)**	**(374,425)**

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Profit and loss forecast

The linked profit and loss records network receipts, host charges, losses, paid employees, fixed expenses and maintenance. Book depreciation starts when the network enters service, with a 40-year composite life and separate ten-year renewal addition. No construction return, grant or automatic cost recovery is invented.

A 25% provision is paid in the same year on positive book profit only. It excludes tax loss relief, capital allowances and actual payment-calendar rules, so it is a conservative budgeting proxy, not a filed UK tax computation. No tax benefit appears when the company loses money.



Verified model v1.0 Base GBP 2027–2036. Whole-GBP rounding.

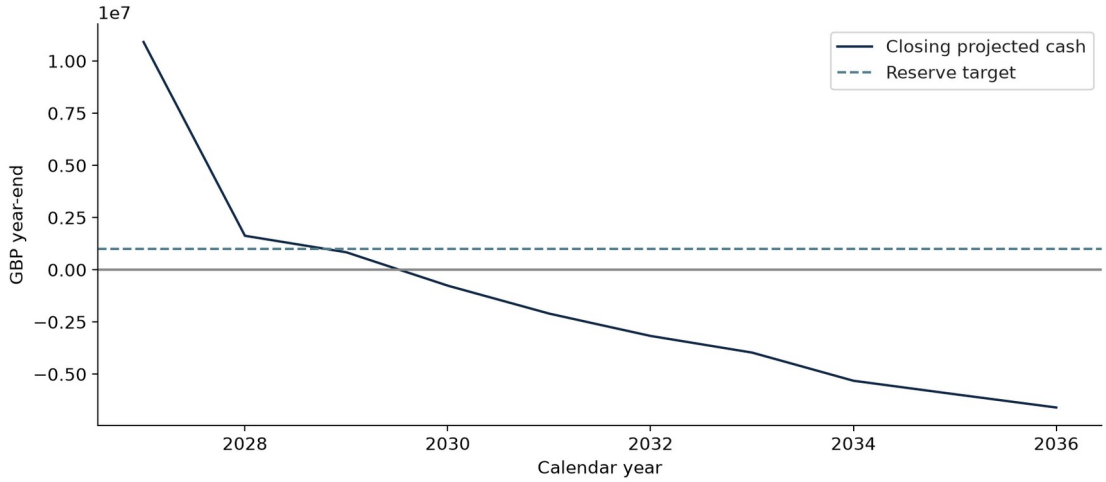
GBP	2027	2028	2029	2032	2036
Revenue	–	–	1,077,854	2,430,634	3,095,290
Host DNO charges	–	–	436,968	985,392	1,254,847
Loss energy cost	–	–	53,603	124,469	164,813
Contribution	**–**	**–**	**587,283**	**1,320,772**	**1,675,629**
Payroll	527,040	542,851	559,137	610,984	687,668
Fixed and maintenance costs	360,000	370,800	530,450	579,637	652,387
EBITDA	**(887,040)**	**(913,651)**	**(502,304)**	**130,151**	**335,575**
Depreciation	–	–	350,000	350,000	410,000
Interest	600,000	600,000	600,000	500,000	300,000
Tax provision paid	–	–	–	–	–
Net profit	**(1,487,040)**	**(1,513,651)**	**(1,452,304)**	**(719,849)**	**(374,425)**

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Cash flow and financial position

Indirect cash flow adds back depreciation and moves receivables, supplier payables and VAT balances. Net capex and fixed principal payments then reduce cash. Preparation loss flows into opening retained earnings while equity and debt sources stay separate. No balance-sheet reconciliation plug exists.

Negative cash is shown explicitly as an unfunded projection and must not be represented as an operating bank balance or approved overdraft. The balance sheet is a model of required economic funding, not proof of legal solvency. Annual 2027–2036 reporting adapts the template's ordinary monthly horizon to infrastructure; intra-year liquidity remains an evidence gate.



Verified model v1.0 Base GBP 2027–2036. Whole-GBP rounding.

GBP	2027	2028	2029	2032	2036
Operating cash flow	**(1,685,019)**	**(1,583,214)**	**(791,344)**	**(404,539)**	**31,874**
Capital spending	6,300,000	7,700,000	–	–	–
Debt principal	–	–	–	666,667	666,667
Net cash change	(7,985,019)	(9,283,214)	(791,344)	(1,071,206)	(634,793)
Closing cash	**10,912,549**	**1,629,336**	**837,991**	**(3,170,081)**	**(6,597,158)**

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Construction cash flow first year

The first construction year is 2027. Base capital spending is £6.3 million net, with paid staff, fixed overhead and £600,000 cash interest despite zero distribution receipts. The year-end balance includes fourth-quarter VAT credit and eligible supplier payables.

VAT is assumed standard-rated on B2B network charges and eligible purchases, with equal quarter activity and the fourth-quarter net balance carried into the next year. Refund recovery is unconfirmed. Customer and supplier days use uniform annual invoice cohorts. Only insurance is excluded from operating input VAT; the combined administration budget is assumed eligible, although rates and some occupancy costs may have different treatment. Invoice-level tax review must replace this approximation. Monthly milestone expenditure and VAT refund delay can produce a worse cash low than the annual balance.

GBP	2027
Opening cash	**18,897,568**
Operating cash flow	**(1,685,019)**
Capital spending	6,300,000
Debt principal	–
Closing cash	**10,912,549**

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Construction cash flow second year

The second construction year is 2028, with £7.7 million Base net capex and no live network revenue. Delayed commissioning keeps assets in construction in progress, but owner pay, other salaries, fixed overhead and interest continue. Loan principal starts in 2030 regardless of a Downside delay.

Base first operation in 2029 ends below the £1 million reserve. Base becomes cash negative in 2030. A late-2036 improvement in operating earnings cannot finance the preceding deficits. These annual construction stages replace the template's first-year months-one-to-six and months-seven-to-twelve summaries without pretending monthly detail has been built.

GBP	2028
Opening cash	**10,912,549**
Operating cash flow	**(1,583,214)**
Capital spending	7,700,000
Debt principal	–
Closing cash	**1,629,336**

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Financial position summary

The network remains a capital-intensive business with £11.62 million Base net assets at 2036 including the separate renewal addition. The £400,000 refundable deposit remains an asset with no assumed release. Equity starts at £12 million and cumulative operating and preparation losses reduce retained earnings.

Debt falls only through scheduled principal. Receivables include VAT, and the VAT balance is shown as a credit or liability with consistent cash flow treatment. Every annual balance sheet and cash rollforward reconciles before rounding. A reconciled projected balance sheet still does not solve a funding deficit.

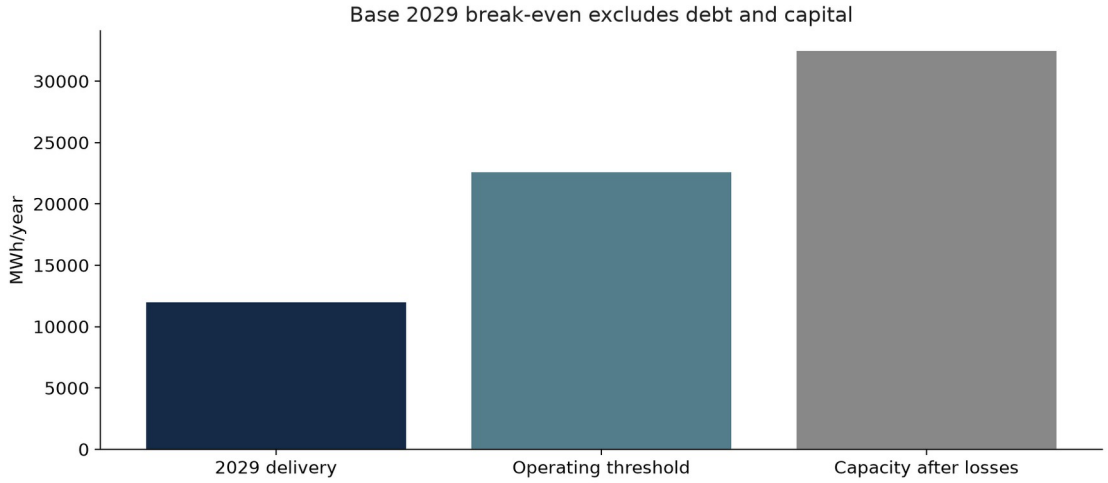
GBP	2027	2028	2029	2032	2036
Cash	**10,912,549**	**1,629,336**	**837,991**	**(3,170,081)**	**(6,597,158)**
Gross receivables	–	–	159,463	359,601	457,933
VAT credit	330,000	400,450	–	–	–
Deposits	400,000	400,000	400,000	400,000	400,000
Net assets incl CIP	6,300,000	14,000,000	13,650,000	12,600,000	11,620,000
Total assets	**17,942,549**	**16,429,786**	**15,047,455**	**10,189,520**	**5,880,775**
Debt	8,000,000	8,000,000	8,000,000	6,000,000	3,333,333
Payables	29,589	30,477	94,425	159,775	196,645
VAT liability	–	–	6,024	40,535	55,076
Total liabilities	**8,029,589**	**8,030,477**	**8,100,450**	**6,200,310**	**3,585,055**
Paid equity	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Retained earnings	(2,087,040)	(3,600,691)	(5,052,995)	(8,010,790)	(9,704,279)
Total equity	**9,912,960**	**8,399,309**	**6,947,005**	**3,989,210**	**2,295,721**
Liabilities and equity	17,942,549	16,429,786	15,047,455	10,189,520	5,880,775

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Break even and scenarios

The operating break-even calculation divides payroll, fixed cost and routine maintenance less standing receipts by the delivered-MWh margin after host DUoS and loss allocation. It excludes depreciation, interest, principal, tax and capital. Base 2029 operating threshold is approximately 22,563 MWh versus 12,000 planned delivery.

Cases are evaluated snapshots from the same input-driven build, not probabilities. Downside delays commissioning, reduces demand and charge margin and increases capex, costs and collection time. Upside improves volume, margin and interest while paying an additional technician. The Cases sheet flags all snapshots stale after any input change. All three cases require additional finance or redesign.



Operating threshold before capital and debt obligations. Scenario snapshots v1.0 GBP 2027–2036.

Case	2029 revenue	2036 EBITDA	Min cash GBP	Reserve gap GBP
Base	1,077,854	335,575	(6,597,158)	7,597,158
Downside	–	(1,265,517)	(22,940,824)	23,940,824
Upside	1,762,438	899,768	(1,458,409)	2,458,409

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Model guide and completion

Use Inputs C5 to select Base, Downside or Upside. Blue E:G cells hold editable case drivers, C holds the active selection, and output/build sheets use the same linked formulas. Demand feeds costs, assets, debt and working capital, then Statements and Summary. Comparison snapshots flag stale after any case input change.

The workbook is a ten-year annual infrastructure budget with three linked statements and native range-backed charts. It has no automatic funding plug, valuation, terminal proceeds or promised regulatory rate of return. Independent arithmetic, native case recalculation and meaningful mutations are recorded in QA. Before reliance obtain enforceable project evidence and a monthly build liquidity plan, then refresh results, charts and this document.