

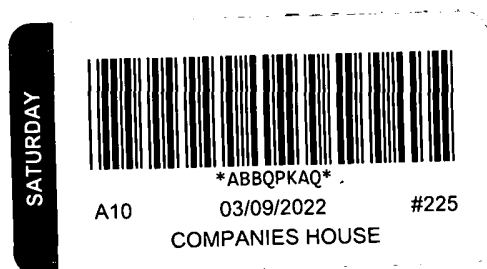
## ESP Networks Limited

Annual Report and Financial Statements

Year Ended

31 December 2021

Registered number 02865198



# **ESP Networks Limited**

## **Annual report and financial statements for the year ended 31 December 2021**

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#### **Directors**

Simon Lees  
Paul Miles  
Adam Miller  
Steve Morris  
Kevin O'Connor  
Vicki Spiers

#### **Secretary and registered office**

Beach Secretaries Limited, 1<sup>st</sup> Floor, Bluebird House, Mole Business Park, Leatherhead, KT22 7BA

#### **Company number**

02865198

#### **Auditor**

Deloitte LLP, 1 New Street Square, London. EC4A 3HQ

# ESP Networks Limited

## Directors' report and Statement of Directors' responsibilities for the year ended 31 December 2021

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### Principal activities and future developments

The Company is engaged in the business of independent gas transportation and metering services to gas shippers throughout mainland UK. There have been no changes in the Company's activities since prior year.

In March 2022 Ofgem issued consent for Independent Gas Transporters to recover Last Resort Supply Payments. These charges will be a pure pass through cost for the Company from customer to supplier, and will have no net impact on the statement of comprehensive income for 2022 and beyond.

The Company forms part of the ESP Utilities Group of companies which in addition to ESP Networks Limited comprises E.S. Pipelines Limited, ESP Pipelines Limited, ESP Connections Limited, Gas Newco 1 Limited, ESP Electricity Limited, ESPUG Finance Limited and ESP Utilities Group Limited.

### Directors

The directors of the Company throughout the year were:

Simon Lees  
Paul Miles  
Adam Miller  
Steve Morris (appointed 25 October 2021)  
Kevin O'Connor  
Vicki Spiers

### Review of the business

The statement of comprehensive income is set out on page 6 and shows turnover for the period of £548,809 (2020: £581,850) and profit for the period of £195,672 (2020: £287,437). The reduction in turnover and profit is due to a reduction in meter rental income in 2021. As a transporter of gas to predominantly domestic properties with there was no impact on the income or costs of the business during 2021 due to Covid-19.

Dividends of £500,000 were declared and paid during the year (2020: £nil).

### Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

# ESP Networks Limited

## Directors' report and statement of Directors' responsibilities for the year ended 31 December 2021 (*continued*)

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### Statement of Directors' responsibilities (*continued*)

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.

### Directors' indemnities

The Company maintains directors' and officers' liability insurance, which gives appropriate cover for any legal action brought against its directors. The Company has also granted indemnities to each of its directors to the extent permitted by law. Qualifying third party indemnity provisions (as defined in Section 234 of the Act) were in force during the year ended 31 December 2021 and remain in force, in relation to certain losses and liabilities that the directors may incur to third parties in the course of acting as directors or employees of the Company. Neither the Company's indemnity nor its insurance provides cover in the event that a director is proven to have acted dishonestly or fraudulently.

### Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future, given the long term nature of its regulated income which generates a cash surplus annually, and have prepared the financial statements on a going concern basis as set out in note 1.

### Auditor

A resolution to reappoint Deloitte LLP will be proposed at the next Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

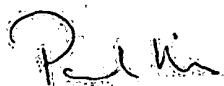
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

### Small Companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by sections 414B and 415A of the Companies Act 2006.

### For and on behalf of the Board



Paul Miles  
Director

28 April 2022

# ESP Networks Limited

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ESP NETWORKS LIMITED

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### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of ESP Networks Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# ESP Networks Limited

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ESP NETWORKS LIMITED (CONT)

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Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

# ESP Networks Limited

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ESP NETWORKS LIMITED (CONT)

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In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the directors' report.

#### Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

#### 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.



Jacqueline Holden FCA Senior Statutory Auditor  
For and on behalf of Deloitte LLP,  
Statutory Auditor  
London, UK

28 April 2022

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Registered number 02865198

## ESP Networks Limited

### Statement of comprehensive income for the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	548,809	581,850
Operating Costs (before charge for bad debts)		(306,850)	(275,487)
Charge for bad debts		(11,221)	-
Total operating costs		(318,071)	(275,487)
Operating profit	4	230,738	306,363
Profit on ordinary activities before taxation		230,738	306,363
Taxation on profit on ordinary activities	5	(35,066)	(18,926)
Profit for the financial year and total comprehensive income for the year		195,672	287,437

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations. There were no items of other comprehensive income in the current and prior year.

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



# ESP Networks Limited

## Balance sheet as at 31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible assets	7		1,383,729		1,437,640
<b>Current assets</b>					
Debtors	8	2,679,747		2,680,738	
Cash at bank and in hand		647,958		843,296	
		3,327,705		3,524,034	
Creditors: amounts falling due within one year	9	(1,593,012)		(1,578,487)	
<b>Net current assets</b>			1,734,693		1,945,547
<b>Total assets less current liabilities</b>			3,118,422		3,383,187
Creditors: amounts falling due after more than one year	10		(88,607)		(84,110)
Provisions for liabilities	11		(110,676)		(75,610)
<b>Net assets</b>			2,919,139		3,223,467
<b>Capital and reserves</b>					
Share capital	12		2		2
Profit and loss account			2,919,137		3,223,465
<b>Equity shareholder funds</b>			2,919,139		3,223,467

These statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2022 and were signed on its behalf by:

Paul Miles  
Director



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

# ESP Networks Limited

## Statement of changes in equity for the year ended 31 December 2021

	Share capital 2021 £	Profit and loss account 2021 £	Total equity 2021 £	Share capital 2020 £	Profit and loss account 2020 £	Total equity 2020 £
1 January	2	3,223,465	3,223,467	2	2,936,028	2,936,030
Comprehensive income for the year						
Profit for the year	-	195,672	195,672	-	287,437	287,437
Total comprehensive income for the year	-	195,672	195,672	-	287,437	287,437
Contributions by and distributions to owners						
Dividends	-	(500,000)	(500,000)	-	-	-
Total contributions by and distributions to owners	-	(500,000)	(500,000)	-	-	-
31 December	2	2,919,137	2,919,139	2	3,223,465	3,223,467

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

# ESP Networks Limited

## Notes forming part of the financial statements for the year ended 31 December 2021

### 1 Accounting policies

ESP Networks Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act. The registered office is Bluebird House, Mole Business Park, Leatherhead, KT22 7BA.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The financial statements are prepared in sterling, which is the functional currency of the company. The financial statements have been prepared under the historical cost convention.

#### ***Basis of preparation***

#### ***Disclosure exemptions***

In preparing the financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Company as this information is included in the consolidated accounts of ESP Utilities Group Limited (company number 02612105), which can be obtained from Companies House; and
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole within the accounts of ESP Utilities Group Limited; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company as their remuneration is included within E.S. Pipelines Limited (Company number 03822878) as a whole.

#### ***Going concern***

The financial statements have been prepared on a going concern basis.

The Directors have considered and reviewed projections and cash flow forecasts that cover the period to eighteen months from the date of approval of these financial statements. In addition, stress cash flows have been prepared at Zoom Holding Limited level to assess an increased impact of Covid-19. Based on the lack of any detriment to the business from Covid-19 during 2021 the Directors do not believe there will be any material financial or operational impact from Covid-19 in the future. As a transporter of gas to predominantly domestic properties the Directors' assessment is that Covid-19 will continue not have a significant impact on either the income or costs of the Company.

Based on this, the Company will have adequate resources to continue in operational existence for the foreseeable future. On this basis the Directors believe it is appropriate to present the accounts on the going concern basis.

The following principal accounting policies have been applied:

#### ***Turnover***

Turnover represents the amount (excluding value added tax) derived from the provision of gas transportation and measurement for gas suppliers during the period. Income from the transport of gas through the Company's pipelines is recognised on the basis of actual or estimated volumes delivered in the financial period and rental income of metering equipment is recognised for rental periods covered by the financial statements. Turnover arises solely within the United Kingdom.

# ESP Networks Limited

## Notes forming part of the financial statements for the year ended 31 December 2021

### 1 Accounting policies

#### *Tangible fixed assets*

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

##### a) Depreciation

Depreciation is calculated so as to write off the cost of fixed assets by equal instalments over their estimated useful lives as follows:

Gas networks	60 years
Meters	20 years
Prepayment meters	10 years

##### b) Third party contributions

Contributions, from owner-occupiers of premises, which partly offset the capital expenditure on the infill networks, are received at the time of initial connection. These receipts are treated as deferred income and released to turnover in the statement of comprehensive income, over the useful life of the related assets.

#### *Impairment of fixed assets*

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ("CGU") to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flow (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Consideration has been given to the future of the Groups gas networks in the context of the goal for decarbonisation of heat by 2050 and the conclusion is that given recent clear progress in the development of technology to re-purpose the existing gas networks to hydrogen, it is still reasonable to estimate a useful economic life for our gas networks of 60 years. This is in line with other gas network operators.

#### *Current and deferred taxation*

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

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.

# ESP Networks Limited

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 1 Accounting policies (continued)

#### *Current and deferred taxation (continued)*

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have enacted or substantively enacted by the reporting date.

#### *Financial Assets*

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### *Reserves*

The Company's reserves are as follows:

- Called up share capital represents the nominal value of shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgements:

- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

# ESP Networks Limited

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

In preparing these financial statements, the Directors have determined the following key source of estimation uncertainty:

- Tangible fixed assets are depreciated over their useful life. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles, industry trends and changes to Government policy are taken into account.

### 3 Analysis of Turnover

	2021 £	2020 £
Analysis by class of business:		
Gas transportation	515,829	531,068
Gas metering	31,250	49,176
Release of deferred income on third party contributions	1,730	1,606
	<u>548,809</u>	<u>581,850</u>

The Company's revenue is generated in the United Kingdom (excluding Northern Ireland).

### 4 Operating profit

	2021 £	2020 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	60,824	59,906
Auditor's remuneration	7,500	2,496
	<u></u>	<u></u>

The Directors, the only employees of the Company, received no remuneration for the services to the Company (2020: £nil).

# ESP Networks Limited

Notes forming part of the financial statements  
for the year ended 31 December 2021 (continued)

## 5 Taxation on profit on ordinary activities

	2021 £	2021 £	2020 £	2020 £
<i>UK corporation tax</i>				
Current tax on profits of the year		-		-
Adjustment in respect of previous periods		-		-
Total current tax		-		-
<i>Deferred tax</i>				
Deferred tax current period	12,228		12,257	
Effect of changes in tax rate	23,628		6,669	
Adjustments in respect of prior periods	(790)		-	
		35,066		18,926
Total tax charge		35,066		18,926

Legislation to increase the UK standard rate of corporation tax from 19% to 25% from 1 April 2023 was enacted in the period to 31 December 2021. UK deferred tax balances at 31 December 2021, have been calculated at 19% or 25% depending upon when the balance is expected to unwind.

### Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below.

### Tax reconciliation

	2021 £	2020 £
Profit on ordinary activity before tax	230,738	306,363
Current tax at 19% (2020: 19%)	43,840	58,999
<i>Effects of:</i>		
Remeasurement of deferred tax for changes in tax rates	26,562	6,669
Group relief claimed for nil consideration	(35,796)	(46,742)
Fixed asset differences	1,250	-
Adjustments to tax charge in respect of previous periods – deferred tax	(790)	-
Total tax charge/(credit)	35,066	18,926

## 6 Dividend

	2021 £	2020 £
Ordinary shares		
Paid £250,000 (2020: £nil) per share	500,000	-

# ESP Networks Limited

Notes forming part of the financial statements  
for the year ended 31 December 2021 (*continued*)

## 7 Tangible fixed assets

	Networks £	Meters £	Total £
<i>Cost</i>			
At 1 January 2021	1,863,828	554,742	2,418,570
Additions	6,913	-	6,913
Disposals	-	(30,287)	(30,287)
	<u>1,870,741</u>	<u>524,455</u>	<u>2,395,196</u>
<i>Depreciation</i>			
At 1 January 2021	681,811	299,119	980,930
Provision for year	45,383	15,441	60,824
Disposals	-	(30,287)	(30,287)
	<u>727,194</u>	<u>284,273</u>	<u>1,011,467</u>
<i>Net book value</i>			
At 31 December 2021	<u>1,143,547</u>	<u>240,182</u>	<u>1,383,729</u>
At 31 December 2020	<u>1,182,017</u>	<u>255,623</u>	<u>1,437,640</u>

The PP loan notes in a group undertaking, ESPUG Finance Limited, are secured by an All Assets charge over the assets of the Group, including those of ESP Networks Limited.

## 8 Debtors

	2021 £	2020 £
Trade debtors	58,338	59,475
Amounts owed by Group undertakings	2,604,552	2,604,725
Prepayments and accrued income	16,857	16,538
Deposits	-	-
	<u>2,679,747</u>	<u>2,680,738</u>

All debtors are due within one year.

The amounts owed by group undertakings relate to intercompany balances which do not bear interest and are repayable on demand by the Company when sufficient funds are available to do so.



# ESP Networks Limited

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 9 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	18,102	16,789
Other creditors	26,325	27,638
Group relief payable to fellow subsidiaries	1,476,841	1,476,841
Accruals and deferred income	71,744	57,219
	<u>1,593,012</u>	<u>1,578,487</u>

Amounts to Group undertakings and Group relief payable are unsecured, interest free and repayable on demand.

### 10 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Deferred income	88,607	84,110

The deferred income relates to contributions, from owner-occupiers of premises, partly to offset the capital expenditure on the infill networks, which are received at the time of initial connection. These receipts are treated as deferred income and released to turnover in the statement of comprehensive income, over the useful life of the related assets.

### 11 Provisions for liabilities

	Deferred taxation 2021 £	Deferred taxation 2020 £
At 1 January	75,610	56,684
Charged to profit or loss	35,066	18,926
	<u>110,676</u>	<u>75,610</u>
At 31 December	110,676	75,610

It is estimated that deferred tax liabilities arising on fixed assets will not reverse in the next accounting period.

	2021 £	2020 £
Difference between accumulated depreciation and amortisation and capital allowances	110,676	75,610

# ESP Networks Limited

Notes forming part of the financial statements  
for the year ended 31 December 2021 (*continued*)

## 12 Share capital

	2021 £	2020 £
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2	2

## 13 Immediate and ultimate holding company and parent undertaking of larger group

The Company's immediate holding company is E.S. Pipelines Limited, a Company registered in England. The Company's ultimate holding company is Zoom Holding Limited, a Company registered in England and Wales. The Company is ultimately controlled by 3i MIA LP, an English limited partnership, which is managed by 3i Investments plc. 3i Investments plc is wholly owned by 3i Group plc. The general partner of 3i MIA LP is 3i Managed Infrastructure GP (2017) LLP.

The largest group in which the results of the Company are consolidated is that headed by Zoom Holding Limited. The smallest group in which the results of the Company are consolidated is that headed by ESP Utilities Group Limited. Copies of these consolidated financial statements are available from Companies House.

## 14 Post Balance sheet event

In March 2022 Ofgem issued consent for Independent Gas Transporters to recover Last Resort Supply Payments. These charges will be a pure pass through cost for the Company from customer to supplier, and will have no net impact on the statement of comprehensive income for 2022 and beyond.