

SGN Smart Limited (formerly known as SGN Limited)  
Annual Report and Financial Statements  
for the year ended 31 March 2017

Registered Number: 05618883

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SGN Smart Limited (formerly known as SGN Limited)  
Annual Report and Financial Statements  
for the year ended 31 March 2017  
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# **SGN Smart Limited (formerly known as SGN Limited)**

## **Company Information**

### **Directors**

Gregor Alexander (Chairman)

Robert McDonald

Guy Lambert

Andrew Jonathan Mark Taylor

Natalie Flageul

John McManus

Neil Fleming

Alejandro Lopez Delgado

### **Alternate Director**

Kenton Edward Bradbury

### **Company Secretary**

Nicola Shand

### **Registered office**

St Lawrence House

Station Approach

Horley

Surrey

RH6 9HJ

### **Registered auditor**

Deloitte LLP

Statutory Auditor

London

United Kingdom

### **Registered number**

05618883

# **SGN Smart Limited (formerly known as SGN Limited)**

## **Strategic report for the year ended 31 March 2017**

This strategic report sets out the main trends and factors underlying the development and performance of the Company during the year ended 31 March 2017 as well as those matters which are likely to affect its future development and performance.

### **Review of the business and future developments**

Turnover for the year ended 31 March 2017 was £3,441,000 (2016: £nil). The operating profit for the year ended 31 March 2017 was £27,000 (2016: £nil).

The Company provides managed services to Maple Co., a company which provides smart metering services. The Directors consider the financial position of the Company at 31 March 2017 satisfactory, and expect that the activities carried out by the Company will continue in the forthcoming year.

At the year ended 31 March 2017, the Company had no employees (2016: nil).

### **Principal risks and uncertainties**

As well as the opportunities the Company has to grow and develop the business, the Company faces certain risks and uncertainties in achieving its objectives. These risks and uncertainties include those of the Group, given that the Company provides its services to Group companies and is dependent upon the performance of the business of the Group. The principal risks and uncertainties of the Company's business identified are as follows:

- Changes in laws or regulation affecting the Group's business, for example regulation of the Group's business;
- Changes in laws or regulation affecting the Company's business, for example environmental or health and safety law or regulation;
- Breaches of laws or regulation affecting the Company's or the Group's business, or breaches of the Group's licence conditions, or breaches of the Company's contractual obligations to Group companies; and
- Failure of the Group's network or other critical non-network operations.

The Board of Directors of SGN reviews the principal risks and uncertainties facing the Group's business and considers the risk management processes in place, which are designed to safeguard assets and to manage, rather than eliminate, material risks to the achievement of the Group's business objectives. These reviews recognise that any such process can provide only reasonable, and not absolute, assurance against material misstatement or loss. Further details can be found in SGN's Annual Report.

Approved by the Board of Directors and signed on its behalf by:



**Gregor Alexander**  
**Chairman**

**18 July 2017**

# **SGN Smart Limited (formerly known as SGN Limited)**

## **Directors' report for the year ended 31 March 2017**

The Directors present their report and the audited financial statements for SGN Smart Limited (the "**Company**") in respect of the year ended 31 March 2017. The Company is a wholly owned subsidiary of Scotia Gas Networks Limited ("**SGN**"), which together with its subsidiary undertakings (including the Company) is hereinafter referred to as the "**Group**".

### **Principal activities**

The Company Provides MSA (managed service agreements) to Maple Co., a company that provides smart metering services.

On 8 April 2016, the Company name changed from SGN Limited to SGN Smart Limited.

### **Review of the business and future developments**

The Directors consider that the financial position of the Company at 31 March 2017 is satisfactory.

### **Dividends**

The Directors do not propose the payment of any dividends for the year ended 31 March 2017.

### **Directors**

The Directors of the Company who served during the year ended 31 March 2017 and up to date of signing, are listed below:

Gregor Alexander (Chairman)  
Robert McDonald  
James McPhillimy (resigned 26 Oct 2016)  
Guy Lambert (appointed 26 Oct 2016)  
Olivia Steedman (resigned 26 May 2016)  
Natalie Flageul  
John McManus  
Neil Fleming  
Alejandro Lopez Delgado  
Andrew Jonathan Mark Taylor (appointed 26 May 2016)  
Kenton Edward Bradbury (appointed 26 May 2016)

### **Directors' interests**

None of the Directors who held office at the end of the year had an interest in the shares or loan stock of the Company or any Group undertakings at the end of the financial year, or at any time during the financial year subsequent to their appointment as a Director of the Company.

### **Directors' indemnity**

The Company's parent Company (Scotia Gas Networks Limited) has purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of all Group companies, their Directors and senior officers.

# **SGN Smart Limited (formerly known as SGN Limited)**

## **Directors' report for the year ended 31 March 2017 (continued)**

### **Auditor**

Each of the Directors at the date of this report confirms that:

- 1) So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 2) The Director has taken all the steps that he/she ought to have taken as a Director 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 provision of section 418 of the Companies Act 2006.

**By Order of the Board**

A handwritten signature in black ink, appearing to be 'Nicola Shand', written over a horizontal line.

**Nicola Shand**  
**Company Secretary**  
18 July 2017

# **SGN Smart Limited (formerly known as SGN Limited)**

## **Directors Responsibilities Statement**

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

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.

# **SGN Smart Limited (formerly known as SGN Limited)**

## **Independent Auditor's Report to the Members of SGN Smart Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 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 of SGN Smart Limited (the 'Company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

# **SGN Smart Limited (formerly known as SGN Limited)**

## **Independent Auditor's Report to the Members of SGN Smart Limited (continued)**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 for the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's 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.

# **SGN Smart Limited (formerly known as SGN Limited)**

## **Independent Auditor's Report to the Members of SGN Smart Limited (continued)**

### **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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



Mark Beddy - Senior Statutory Auditor  
for and on behalf of Deloitte LLP  
Statutory Auditor  
2 New Street Square  
London  
EC4A 3BZ  
United Kingdom  
18 July 2017

## SGN Smart Limited (formerly known as SGN Limited)

### Profit and loss account for the year ended 31 March 2017

		2017	2016
		£000	£000
	Notes		
Turnover	3	3,441	-
Net operating costs		(3,414)	-
<b>Operating profit</b>		<b>27</b>	<b>-</b>
Interest payable and similar charges		-	-
<b>Profit on ordinary activities before taxation</b>	4	<b>27</b>	<b>-</b>
Tax charge on profit on ordinary activities	6	(23)	-
<b>Profit for the financial year</b>		<b>4</b>	<b>-</b>

The above results relate to continuing operations in the current year.

There is no other comprehensive income in the year and prior year other than the profit for the year included within the profit and loss account. Therefore no separate statement of comprehensive income has been presented.

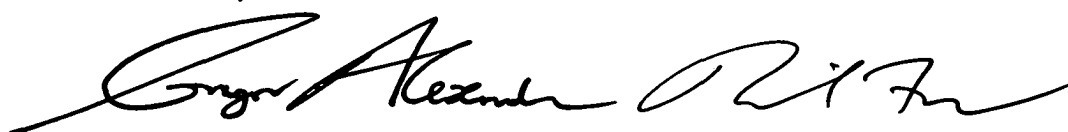
The notes on pages 10 to 19 form an integral part of the financial statements.

# SGN Smart Limited (formerly known as SGN Limited)

## Balance sheet as at 31 March 2017

	Notes	2017 £000	2016 £000
<b>Fixed assets</b>			
Intangible assets	7	190	-
<b>Current assets</b>			
Debtors	8	3,441	-
<b>Creditors: amounts falling due within one year</b>	9	(3,437)	-
<b>Net current assets</b>		4	-
<b>Total assets less current liabilities</b>		194	-
Deferred income	10	(190)	-
<b>Net assets</b>		4	-
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	4	-
<b>Shareholders' funds</b>		4	-

The financial statements of SGN Smart Limited (formerly known as SGN Limited), registration number 05618883 were approved by the Board of Directors on 18 July 2017 and were signed on its behalf by:



**Gregor Alexander**  
Chairman

**Neil Fleming**  
Director

## SGN Smart Limited (formerly known as SGN Limited)

### Statement of changes in equity for the year ended 31 March 2017

	Called up share capital	Profit and loss account	Total
	£000	£000	£000
<b>At 1 April 2016</b>	-	-	-
Profit for the financial year	-	4	4
<b>Total comprehensive income</b>	-	4	4
<b>At 31 March 2017</b>	-	4	4

Shareholders' funds at 1 April 2015 amount to £1, profit for the financial year ended 31 March 2016 amounts to £nil.

# **SGN Smart Limited (formerly known as SGN Limited)**

## **Notes to the financial statements for the year ended 31 March 2017**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006.

The financial statements present the results for the year ended 31 March 2017. The comparative financial statements is for the year ended 31 March 2016.

A summary of the more significant accounting policies, which have been applied consistently during the year and the preceding year, are as follows.

#### **General information and basis of preparation**

SGN Smart Limited is a private limited Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is St. Lawrence House, Station Approach, Horley, Surrey, RH6 9HJ. The Company's principal activity is providing MSA (managed service agreement) to Maple Co., a smart metering business.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102) issued by the Financial Reporting Council. There were no material departures from that standard.

The functional currency of SGN Smart Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. Amounts are expressed in thousands of pounds, except where noted otherwise.

The Company is a wholly owned subsidiary of Scotia Gas Networks Limited and the financial statements of the Company are included in the consolidated financial statements of Scotia Gas Networks Limited which can be obtained from the address above. Consequently, the Company has taken exemptions available under FRS 102 in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

#### **Going concern**

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial information.

#### **Impairment of non-financial assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the business. Any impairment loss is allocated first to the goodwill, and then to other assets on a pro-rata basis. The Company considers there to be no one CGU for the purpose of goodwill impairment.

# SGN Smart Limited (formerly known as SGN Limited)

## Notes to the financial statements for the year ended 31 March 2017

### 1 Principal accounting policies (continued)

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs, the reversal is applied to the assets (other than goodwill) on a pro-rata basis. Goodwill impairment is not reversed.

#### **Taxation**

Current tax, including UK corporation tax and foreign 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arises from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### **Intangible assets – software**

Software assets are included at cost, net of amortisation and any provision for impairment.

Amortisation is provided in equal annual instalments over a period of 3 to 10 years, which is their estimated useful economic life.

# **SGN Smart Limited (formerly known as SGN Limited)**

## **Notes to the financial statements for the year ended 31 March 2017**

### **1 Principal accounting policies (continued)**

#### **Grants and contributions**

Capital grants and customer contributions in respect of additions to fixed assets are treated as deferred income and released to the profit and loss account over the estimated useful lives of the related assets.

Revenue grants and contributions are credited to the profit and loss account in the year to which they relate. Deferred income in respect of revenue grants and contributions is included within creditors: amounts falling due within one year.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

##### *(i) Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet certain conditions are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet these conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

# **SGN Smart Limited (formerly known as SGN Limited)**

## **Notes to the financial statements for the year ended 31 March 2017**

### **1 Principal accounting policies (continued)**

#### **Financial instruments (continued)**

##### *(ii) Equity instruments*

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

##### *(iii) Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

The Company's funding, liquidity and exposure to interest rate risks are managed within a framework of policies and guidelines authorised by the Board of Directors of the parent Company, Scotia Gas Networks Limited. The Company is funded by short term amounts owed to Group undertakings and has no other interest bearing assets or liabilities. The Company has not entered into any hedging activities and has no derivative financial instruments.

#### **Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the impact of discounting the expected future cash flows is material.

### **2 Critical accounting judgements and key sources of estimation uncertainty**

There are no critical accounting judgements or key sources of estimation uncertainty.

### **3 Turnover**

Turnover arises entirely in the United Kingdom and is attributable to the continuing activity of the Company.

# SGN Smart Limited (formerly known as SGN Limited)

## Notes to the financial statements for the year ended 31 March 2017

### 4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2017 £000	2016 £000
Fees payable to Company's auditor for the audit of the Company's annual financial statements	4	-

### 5 Employee information and directors' emoluments

The Company had no employees at 31 March 2017 (2016: nil) or at any time during the current or previous financial year and have no staff costs. The Directors did not receive any remuneration for their services to the Company during the year. No retirement benefits are accruing to any Directors under money purchase or defined benefit schemes, in respect of their services to the Company.

### 6 Tax charge on profit on ordinary activities

#### (a) Analysis of the tax charge on ordinary activities

	2017 £000	2016 £000
<b>Current tax</b>		
Corporation tax	23	-
Total current tax charge	23	-
<b>Deferred tax</b>		
Total deferred tax charge for the year	-	-
<b>Total tax charge on profit on ordinary activities</b>	<b>23</b>	<b>-</b>

#### b) Factors affecting the total tax charge for the year

	2017 £000	2016 £000
Profit on ordinary activities before tax	27	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%)	5	-
Effects of:		
Expenses not deductible for tax purposes	18	-
<b>Total tax charge</b>	<b>23</b>	<b>-</b>

# SGN Smart Limited (formerly known as SGN Limited)

## Notes to the financial statements for the year ended 31 March 2017

### 7 Intangible fixed assets

The Company made additions of software of £190,000 (2016: £nil) to assets in the course of construction in the current year. No depreciation has been charged.

### 8 Debtors

	2017 £000	2016 £000
Prepayments and accrued income	3,441	-

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

	2017 £000	2016 £000
Trade creditors	50	-
Accruals	89	-
Amounts owed to Group undertakings	3,298	-
	3,437	-

The parent Company has agreed to defer repayment of amounts owed by the Company until such a time as the Company has sufficient liquid resources to repay the amounts owed.

### 10 Deferred income

The Company has received customer contributions relating to software assets. In accordance with the Company's accounting policy the assets are capitalised within fixed assets and the contributions received are recognised as deferred income in the balance sheet. The deferred income will be released to the profit and loss account over the estimated lives of the related assets.

The amount deferred under this policy is as follows:

	2017 £000	2016 £000
Customer contributions	190	-
	190	-

# SGN Smart Limited (formerly known as SGN Limited)

## Notes to the financial statements for the year ended 31 March 2017

### 11 Called up share capital

At 31 March 2016 and 31 March 2017

	Number	£
<b>Authorised</b>		
Ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	1	1

The Company was incorporated with the issue of one subscriber share of £1.

### 12 Profit and loss account

	£000
At 31 March 2016	-
Profit for the year	4
<b>At 31 March 2017</b>	<b>4</b>

### 13 Financial commitments

Total future minimum lease payments under non-cancellable operating leases for the Company are as follows:

	2017 £000	Other 2016 £000
- less than one year	5	-
- between two to five years	16	-
- after five years	-	-

# **SGN Smart Limited (formerly known as SGN Limited)**

## **Notes to the financial statements for the year ended 31 March 2017**

### **14 Parent company**

The immediate and ultimate parent undertaking and controlling party of the Company is Scotia Gas Networks Limited, a Company registered in England and Wales. Scotia Gas Networks Limited is the parent undertaking of the smallest and largest groups which consolidates these financial statements. Copies of Scotia Gas Networks Limited consolidated financial statements can be obtained from the Company Secretary, St Lawrence House, Station Approach, Horley, Surrey RH6 9HJ.

Scotia Gas Networks Limited is owned by a consortium consisting of SSE Plc (33.3%), Borealis Infrastructure Europe (UK) Limited (25%), which is indirectly wholly owned by OMERS Administration Corporation, OTPPB Investments (U.K.) Limited (25%), which is owned by Ontario Teachers' Pension Plan Board and Blue Spyder B 2016 Limited (16.7%), which is owned by Abu Dhabi Investment Authority. It is the opinion of the Directors that the parent Company, Scotia Gas Networks Limited, has no single controlling party as the Company is controlled jointly by the consortium.

### **15 Related parties**

In accordance with section 33 of FRS 102 the Company is exempt from disclosing transactions with entities that are part of the Group or investees of the Group qualifying as related parties, as it is a wholly owned subsidiary of a parent, which prepares consolidated financial statements which are publicly available.

### **16 Subsequent events**

There are no subsequent events to report.