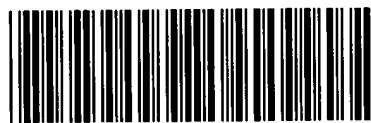

PAH Gas Infrastructure Limited

Annual report and accounts
for the year ended 31 December 2018

Registered number: 08988096

THURSDAY



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COMPANIES HOUSE

Strategic report

For the year ended 31 December 2018

The directors present their Annual Report on the affairs of the company, together with the accounts and independent auditors report, for the year ended 31 December 2018. The accounts are presented under Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

Business strategy

The principal activity of the company is to hold and manage investments in Beta Central Profits Limited, CK William Midco 3 Limited and Australian Gas Networks UK Limited. This includes looking at other potential acquisitions on behalf of its shareholders, using the knowledge and experience of CK Group Infrastructure UK, a consortium of which the company is a member.

Financial and operational review

As shown in the profit and loss account the company has made a profit of £40.3m in the year (2017 - £35.3m). The balance sheet shows the company's net asset position has increased at the year end to £798.9m (2017 - £758.5m), due to the profit earned in the year. The company is owned by Power Assets Holdings Limited, and has invested in Northern Gas Networks Holdings Limited, CK William Australia Holdings Limited and Australian Gas Networks Holdings Limited, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of Power Assets Holdings Limited and the investments mentioned above, is discussed in the Annual Report of those companies, which does not form part of this report.

Dividends

The directors do not recommend payment of a final dividend, as consistent with last year. No interim dividends were declared in the year (2017 – nil).

Outlook

The directors expect the dividend inflows to continue in the same manner in the forthcoming year.

Principal risks and uncertainties and financial risk management objectives and policies

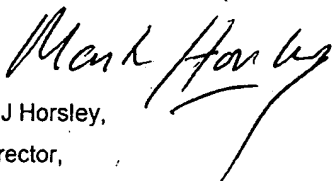
The company's activities expose it to a number of financial risks, including credit risk, currency risk and liquidity risk. The company is primarily financed by debt and equity, with liquidity risk managed through intergroup assets and liabilities. Currency risk is a consequence of holding Australian Dollar deposits, which can cause exchange rate gains and losses in the company. Currency risk on loans is managed via natural hedging as assets and liabilities offset. Credit risk is managed through the assessment of recoverability of balances. All intercompany balances are deemed recoverable. The recovery of the investments held in the balance sheet is a risk, but based on the underlying cash flow forecasts the directors deem this risk to be low. Interest rate risk is managed as loan assets and liabilities have similar rates.

Directors' report (continued)

Going concern

The company's business activities, performance and position together with its principal risks and uncertainties likely to affect its future development and performance are set out above. The directors have made enquiries and reviewed the forecasts, including dividend income, and have a reasonable expectation that the company has adequate resources and future dividend income, as to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and accounts.

By order of the Board



M J Horsley,
Director,

16 July 2019

Directors' report

For the year ended 31 December 2018

The directors present their annual report for the affairs of PAH Gas Infrastructure Limited, together with the accounts and auditors report for the year ended 31 December 2018. The principal activity, business strategy, financial and operational review, dividends, outlook, principal risks and uncertainties and going concern are presented in the Strategic report on page 1.

Directors

The directors who served during the year and subsequently were as follows

- L S Chan
- M J Horsley
- C Tsai
- C T Wan
- G B Ellis (appointed 11 June 2018)
- J T Miller (appointed 6 June 2018)
- R J Roberts (appointed 6 June 2018)

Auditor

Each of the directors at the date of approval of this report confirms that:

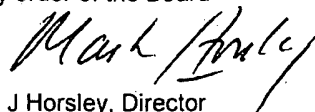
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. The directors will place a resolution before the annual general meeting to reappoint Deloitte LLP as auditor for the ensuing year.

Approval of reduced disclosures

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 "reduced disclosure framework". The company's shareholders have been notified about the intention to take advantage of the disclosure exemptions and no objections have been received. The company also intends to take advantage of these exemptions in the accounts to be issued in the following year. Objections may be served on shareholders holding in aggregate 5 per cent or more of the total allocated shares in the company at any time.

By order of the Board



M J Horsley, Director

16 July 2019

3 More London Riverside, London, SE1 2AQ

Directors responsibilities statement

The directors are responsible for preparing the Annual Report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts 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 accounts 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.

Independent auditor's report to the members of PAH Gas Infrastructure 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 December 2018 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 PAH Gas Infrastructure 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
- related notes 1 to 9.

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 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.

Independent auditor's report to the members of PAH Gas Infrastructure 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 respect of these matters.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 strategic and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic and 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 strategic and directors' report.

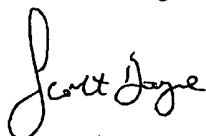
Independent auditor's report to the members of PAH Gas Infrastructure Limited (continued)

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.



Scott Bayne FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, England

16 July 2019

Profit and loss account

For the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
Revenue – dividend income	2	70,840	64,558
Administrative expenses		(21)	(50)
Operating profit		70,819	64,508
Finance charges (net)	1	(28,743)	(29,293)
Profit on ordinary activities before taxation	2	42,076	35,215
Tax on profit on ordinary activities	3	(1,804)	52
Profit for the financial year		40,272	35,267

All results arise from continuing operations.

The accompanying notes are an integral part of this profit and loss account.

There is no other comprehensive income or expenses recognised in in either period other than shown above, consequently no Statement of Comprehensive Income has been presented.

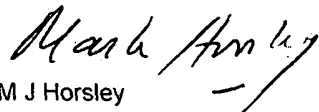
Balance sheet

As at 31 December 2018

	Notes	2018 £'000	2017 £'000
Non-current assets			
Fixed asset investments	4	1,033,527	1,033,527
Current assets			
Debtors - amounts falling due after more than one year	5	449,194	458,015
Debtors - amounts falling due within one year	5	129,019	67,217
Cash at bank and in hand		119	25
		<u>578,332</u>	<u>525,255</u>
Creditors: Amounts falling due within one year	6	(50,600)	(28,975)
Net current assets		<u>527,732</u>	<u>496,280</u>
Total assets less current liabilities		<u>1,561,259</u>	<u>1,529,809</u>
Creditors: Amounts falling due after more than one year	6	(762,444)	(771,266)
Net assets		<u>798,815</u>	<u>758,543</u>
Capital and reserves			
Called-up share capital		330,831	330,831
Share premium account	7	389,445	389,445
Profit and loss account	7	78,539	38,267
Shareholders' funds		<u>798,815</u>	<u>758,543</u>

The accompanying notes are an integral part of this balance sheet.

The accounts of PAH Gas Infrastructure Limited, Registered number 08988096, were approved by the Board of Directors and authorised for issue on 16 July 2019 and signed on its behalf by:


M J Horsley

Director

16 July 2019

Statement of changes in equity
For the year ended 31 December 2018

	Profit and loss account	Share premium account	Called up share capital	Total
	£'000	£'000	£'000	£'000
31 December 2016	3,000	-	330,421	333,421
Profit for the year, being total comprehensive income	35,267	-	-	35,267
Issues of share capital		389,445	410	389,855
31 December 2017	38,267	389,445	330,831	758,543
Profit for the year, being total comprehensive income	40,272	-	-	40,272
31 December 2018	78,539	389,445	330,831	798,815

Statement of accounting policies

For the year ended 31 December 2018

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the prior year.

General information and basis of accounting

PAH Gas Infrastructure Limited (the company) is a company incorporated in the United Kingdom under the Companies Act. The company is a private company limited by shares and is registered in England and Wales. The address of the company's registered office is shown on page 2.

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

The functional currency is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The company is exempt from the requirement of FRS 102 (Section 7) to present a cash flow statement, certain financial instrument disclosures, and key management personnel disclosures, as it is a wholly owned subsidiary of Power Assets Holdings Limited, which prepares consolidated accounts which are publicly available. The company is not required to prepare group accounts as it is a wholly owned subsidiary of Power Assets Holdings Limited which prepares consolidated accounts which are publicly available.

Going concern

The company's business activities, performance and position together with its principal risks and uncertainties likely to affect its future development and performance are set out in the Strategic report. The directors have made enquiries and reviewed the forecasts, including dividend income, and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and accounts.

Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment. Impairment is calculated by comparing the carrying value with the recoverable amount of the investment.

Taxation

Current 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 arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, 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.

Statement of accounting policies (continued)

Net financing income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at the effective interest rate applicable on the carrying amount.

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. All financial assets and liabilities are initially measured at transaction price (including 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 that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. Debt is repayable on demand.

Reserves

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

Dividend income

Dividend income from subsidiaries is recognised on receipt of the dividend.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Notes to the accounts

For the year ended 31 December 2018

1 Finance charges (net)

	2018 £'000	2017 £'000
Interest payable and similar charges		
Interest payable and similar charges – group loans	(51,809)	(44,626)
Foreign exchanges losses	(1,698)	(436)
	<u>(53,507)</u>	<u>(45,062)</u>
Other finance income		
Investment income – interest recoverable and similar income	743	65
Interest receivable – group loans	24,021	15,704
	<u>24,764</u>	<u>15,769</u>
	<u>(28,743)</u>	<u>(29,293)</u>

The terms of interest payable and similar charges incurred are charges from group company loans as disclosed in note 6. The terms of interest receivable on group loans are disclosed in note 5.

2 Profit on ordinary activities before taxation

The directors did not receive any remuneration in relation to their services to the company during the year or prior year. The fees payable to the company's auditors was £4,000 for the financial statements audit (2017 - £4,000) and £36,000 for non-audit tax services (2017 – £39,000). There are no employees other than the directors.

During the year the company received dividend income from its subsidiary undertaking Beta Central Profits Limited and CK William Midco 3 Limited, and from its associate undertaking Australian Gas Networks UK Limited, totalling £70,840,000 (2017 - £64,558,000).

3 Tax on profit on ordinary activities

The tax charge/(credit) comprises:	2018 £'000	2017 £'000
Current tax		
UK corporation tax	(380)	(1,480)
Withholding tax	2,184	1,428
Total tax on profit on ordinary activities	<u>1,804</u>	<u>(52)</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

Notes to the accounts (continued)

3 Tax on profit on ordinary activities (continued)

	2018 £'000	2017 £'000
Profit on ordinary activities before tax	42,076	35,215
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2017 – 19.25%)	7,994	6,779
Effects of:		
Income not taxable	(13,460)	(12,427)
Deferred tax not recognised	5,086	4,168
Different tax rates of subsidiaries operating in different jurisdictions	2,184	1,428
Total tax charge/(credit) for the year	1,804	(52)

The company earns its profits in the UK. Therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 19%. The Finance Act 2016 includes provisions to reduce the corporation tax to 17% with effect from April 2020. As these rates have been substantively enacted in tax legislation, deferred tax balances have been calculated with reference to these rates in line with the expected period of reversal of the deferred tax balances. A deferred tax asset has not been recognised relating to interest restriction of £26.8m (2017 - £21.7m).

Notes to the accounts (continued)

4 Fixed asset investments

	2018 £'000	2017 £'000
Subsidiary (cost and net book value)	667,159	667,159
Associate (cost and net book value)	366,368	366,368
	<u>1,033,527</u>	<u>1,033,527</u>

£'000

Analysis of subsidiary

Cost and net book value	<u>667,159</u>
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The subsidiaries represents a 100% holding in the ordinary share capital of CK William Midco 3 Limited and Beta Central Profits Limited, companies whose principal activity is to act as a holding company, both incorporated and registered in England and Wales. The associate represents a 33.33% holding in the ordinary share capital of Australian Gas Networks UK Limited, a company whose principal activity is to act as a holding company, which is incorporated and registered in England and Wales. The other shareholders of the associate are CKI Gas Infrastructure Limited and CKH Gas Infrastructure Limited. All of these companies have a registered address of 3 More London Riverside, London, SE1 2AQ.

A full list of fixed asset investments is shown below:

Name of entity	Country of incorporation	Shareholding	Nature of business	Registered office
Beta Central Profits Limited	England & Wales	100%	Holding company	a
Northern Gas Networks Holdings Limited *	England & Wales	41.3%	Holding company	b
CK William Midco 3 Limited	England & Wales	100%	Holding company	a
CK William UK Holdings Limited	England & Wales	20.0%	Holding company	a
CK William Australia Holdings Pty Ltd **	Australia	20.0%	Holding company	c
Australian Gas Networks UK Limited	England & Wales	33.3%	Holding company	a
Australian Gas Networks UK 2 Limited	England & Wales	27.5%	Holding company	a
Australian Gas Networks Holdings Pty Limited ***	Australia	27.5%	Holding company	d

* Northern Gas Networks Holdings Limited is the top holding company of the following group:

Name of entity	Country of incorporation	Shareholding	Nature of business	Registered office
Northern Gas Networks Operations Limited	England & Wales	100%	Gas utility	b
Northern Gas Networks Limited	England & Wales	100%	Gas utility	b
Northern Gas Networks Finance plc	England & Wales	100%	Finance company	b
Northern Gas Networks General Partner Limited	England & Wales	100%	Pensions	e
Northern Gas Networks Pension Trustee Limited	England & Wales	100%	Pensions	b
Northern Gas Networks Pension Funding Limited Partnership	England & Wales	100%	Pensions	e

Notes to the accounts (continued)

4 Fixed asset investments (continued)

** CK William Australia Holdings Pty Ltd is the top holding company of the following group:

Name of entity	Country of incorporation	Shareholding	Nature of business	Registered office
CK William Australia Bidco Pty Ltd	Australia	100%	Holding Company	c
DUET Finance Limited	Australia	100%	Holding Company	c
DUET Finance Trust	Australia	100%	Holding Company	c
DUET Company Limited	Australia	100%	Holding Company	c
DUET Investment Holdings Limited	Australia	100%	Holding Company	c
DUET1 Trust	Australia	100%	Holding Company	c
Multinet Group Holdings Pty Ltd	Australia	100%	Gas Distribution	g
Energy Developments Pty Ltd	Australia	100%	Gas Distribution	h
DBP Development Group Pty Ltd	Australia	100%	Gas Distribution	i
DBP Development Group Trust	Australia	100%	Gas Distribution	i
DDG Fortescue River Pty Ltd	Australia	100%	Gas Distribution	i
DDG Operations Pty Ltd	Australia	100%	Gas Distribution	i
DBP Development Group Pty Ltd	Australia	100%	Gas Distribution	i
DUET Dampier Bunbury Pty Ltd	Australia	100%	Holding Company	i
DBNGB Trust	Australia	100%	Gas Pipeline	i
DBNGP Holdings Pty Ltd	Australia	100%	Gas Pipeline	i
UE & Multinet Pty Ltd	Australia	83%	Employing Entity Elec	c
United Energy Distribution Pty Ltd	Australia	66%	Distribution	c
United Energy Distribution Holdings Pty Ltd	Australia	66%	Holding Company	c

*** Australian Gas Networks Holdings Pty Limited is the top holding company of the following group:

Name of entity	Country of incorporation	Shareholding	Nature of business	Registered office
Australian Gas Networks Investments Pty Ltd	Australia	100%	Holding Company	d
Cheung Kong Infrastructure (Malaysian) Limited	Malaysia	100%	Holding Company	d
Australian Gas Networks Limited	Australia	100%	Gas distribution and provision of funds	d
Australian Gas Networks (SA Holdings 1) Ltd	Australia	100%	Holding Company	d
Australian Gas Networks (SA) Ltd	Australia	100%	Infrastructure ownership	d
Australian Gas Networks (QLD) Ltd	Australia	100%	Infrastructure ownership	d
Australian Gas Networks (Vic Holdings 1) Pty Ltd	Australia	100%	Holding Company	d
Australian Gas Networks (Vic Holdings 2) Ltd	Australia	100%	Holding Company	d
Australian Gas Networks (Vic 3) Pty Ltd	Australia	100%	Provision of funds	d
Australian Gas Networks (Vic) Pty Ltd	Australia	100%	Gas distribution and infrastructure ownership	d
Australia Gas Networks (Darling Downs) Pty Ltd	Australia	100%	Holding Company	d
Australian Gas Networks (Albury) Pty Ltd	Australia	100%	Gas distribution and infrastructure ownership	d
Australian Gas Networks (NSW Holdings 1) Pty Ltd	Australia	100%	Holding Company	d
Australian Gas Networks (NSW Holdings 2) Pty Ltd	Australia	100%	Holding Company	d
Australian Gas Networks (NSW Holdings 3) Pty Ltd	Australia	100%	Holding Company	d
Australian Gas Networks (NSW) Pty Ltd	Australia	100%	Gas distribution and infrastructure ownership	d

Notes to the accounts (continued)

4 Fixed asset investments (continued)

Below are the registered addresses of the investments listed above:

- a – 3 More London Riverside, London, SE1 2AQ
- b – 1100 Century Way, Leeds, LS15 8TU
- c – Level 9, 40 Market Street, Melbourne, VIC 3000
- d – 400 King William St, Adelaide, Australia
- e – 1st Floor Citypoint, 65 Haymarket Terrace, Edinburgh, Scotland, EH12 5HD
- g – Level 1, Pinewood Corporate Centre, 43-45 Centreway Place Mount Waverley, VIC 3149
- h – Waterfront Place, Level 6, 1 Eagle Street, Brisbane, QLD 4000
- i – Level 6, 12-14 The Esplanade, Perth, WA 6000

5 Debtors

	2018 £'000	2017 £'000
Amounts due within one year:		
Amounts owed by group undertakings – interest free and repayable on demand	3,251	3,129
Loans due from banks	125,666	64,073
Prepayments	102	15
	<u>129,019</u>	<u>67,217</u>
Amounts due after more than one year:		
Group loans – amounts due after more than one year	<u>449,194</u>	<u>458,015</u>
Total	<u>578,213</u>	<u>525,232</u>

Group loans, with income in the year of £24,021,000 (2017 - £15,704,000) and year end accrual assets of £3,251,000 (2017 - £3,129,000) comprise:

- (a) a loan of AUD 266,000,000 from CK William Australia Holdings Pty Ltd (CKWAH) with an interest rate of 2.75% plus bank bill swap rate (BBSW). Interest is repayable quarterly and the loan is repayable on 9 May 2022;
- (b) a loan of AUD 267,000,000 from CKWAH with an interest rate of 3.00% plus BBSW. Interest is repayable quarterly and the loan is repayable on 9 May 2024;
- (c) a loan of AUD 267,000,000 from CKWAH with an interest rate of 3.25% plus BBSW. Interest is repayable quarterly and the loan is repayable on 9 May 2026.

Loans due from banks mature on 29 January 2019, with interest rates ranging from 0.62% to 1.70%

Notes to the accounts (continued)

6 Creditors

	2018 £'000	2017 £'000
Amounts due within one year:		
Accruals and deferred income	27	43
Amounts owed to group undertakings – interest free and repayable on demand	48,838	28,932
Group loans – amounts due within one year	1,735	-
	<u>50,600</u>	<u>28,975</u>
Amounts due after more than one year:		
Group loans – amounts due after more than one year	762,444	771,226
Total	<u>813,044</u>	<u>800,201</u>

Group loans with a cost in the year of £51,809,000 (2017 - £42,626,000) and year end accrual of £17,504,000 (2017 - £22,203,000) comprise:

- (i) a group loan of £99,720,000 from Jewel Star Investment Limited, with an interest rate of 9.95%. Interest is repayable annually and the loan is repayable on 28 August 2034;
- (ii) a group loan of £213,530,758 from Precious Glory Limited, with an interest rate of 9.95%. Interest is repayable annually and the loan is repayable on 27 June 2034; and
- (iii) a group loan of AUD 800,000,000 from Cheer Venture Enterprises Limited, with an interest rate of 2.73% plus BBSW. Interest is repayable quarterly and the loan is repayable on 9 May 2029;
- (iii) a group loan of AUD 300,000 from CK William UK Holdings Limited, with an interest rate of 2.47%. Interest is repayable on 28 January 2019 and the loan is repayable on 28 January 2019;
- (iv) a group loan of AUD 180,000 from CK William UK Holdings Limited, with an interest rate of 2.47%. Interest is repayable on 28 January 2019 and the loan is repayable on 28 January 2019;
- (v) a group loan of £550,295 from Australian Gas Networks UK 2 Limited, with an interest rate of 1.45%. Interest is repayable on 28 January 2019 and the loan is repayable on 28 January 2019;
- (vi) A group loan of £911,510 from Australian Gas Networks UK 2 Limited, with an interest rate of 1.58%. Interest is repayable on 28 June 2019 and the loan is repayable on 28 June 2019;

Notes to the accounts (continued)

7 Called-up share capital and share premium

	2018 £'000	2017 £'000
Called-up share capital		
<i>Allotted, called-up and fully paid</i>		
330,830,581 (2017 - 330,830,581) ordinary shares of £1 each	<u>330,831</u>	<u>330,831</u>
Share premium account		
Share premium	<u>389,445</u>	<u>389,445</u>

On 9 May 2017, 409,800 shares of £1 were issued for £389,855,034, creating share premium of £389,445,234.

8 Related party transactions

The company is a wholly owned subsidiary and utilises the exemption contained in FRS 102 section 33 2.2, "Related Party Disclosures", not to disclose any transactions with entities that are a wholly owned part of the group.

The company received dividend income as detailed in the profit and loss account from its associate:

- Australian Gas Networks UK Limited - £28,211,000 (2017 - £28,258,000).

Balances with associates at the balance sheet date, which are repayable on demand, were:

- Australian Gas Networks UK Limited - £1,555,000 liability (2017 - £4,451,000 liability),
- Australian Gas Networks UK 2 Limited - £912,000 liability (2017 - £nil).

9 Ultimate controlling party

Precious Glory Limited is the immediate parent company at the balance sheet date.

Power Assets Holdings Limited is the ultimate parent company, the largest and smallest group of which the company is a member and for which group accounts are drawn up, and the ultimate controlling party. The registered address of Power Assets Holdings Limited is: Unit 2005, 20/F., Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

Copies of the accounts are available from the registered address of this company as shown in the Directors' report.