Company Registration No. 10924298 (England and Wales)

LEEP GAS NETWORKS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

LEEP GAS NETWORKS LIMITED

COMPANY INFORMATION

Directors	Victoria Manfredi Timothy Power David Glover Lee Wallace
Company number	10924298
Registered office	The Greenhouse MediaCityUk Salford United Kingdom M50 2EQ
Auditor	Deloitte LLP Statutory Auditor Manchester United Kingdom
Bankers	The Royal Bank of Scotland Plc

LEEP GAS NETWORKS LIMITED

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LEEP GAS NETWORKS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and audited financial statements for the year ended 31 March 2020.

The directors' report has been prepared in accordance with the provisions applicable to the small companies exemption. Accordingly a strategic report has not been prepared.

The company meets the definition of a small entity under the Companies Act 2006 and has therefore taken advantage of the reduced disclosure requirements including the presentation of a cash flow statement.

Principal activities
The company is at the development stage whose principal activity currently is to hold investments in the gas distribution sector for the purpose of trading in the future.

Going concern
The directors have concluded, after making enquiries, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the financial statements.

Leep Gas Networks Limited has net current liabilities of £23,924 (2019: £8,964) stated after amounts owed to group undertakings of £407,988 (2019: £302,419). The Directors have sought confirmation that this will not be called up to the detriment of Leep Gas Networks Limited and therefore consider it appropriate to prepare the accounts on a going concern basis.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 of the financial statements.

COVID-19 is an illness that has spread globally to the extent that it is classified as a Public Health Emergency of International Concern by the World Health Organisation. There is an elevated concern globally about the impact that COVID-19 crisis will have on the global economy.

Following the UK Government announcement on 23 March 2020 of UK lockdown, a number of changes to standard working practices were implemented, the intent of which was to reduce the personnel on site to those defined as operationally critical.

Any safety critical activity was formally risk assessed to take cognisance of additional controls necessary to protect core personnel from COVID-19, hence safeguarding safety critical work at all times.

Although the directors cannot predict the extent and duration of the COVID-19 crisis, they and the shareholders have undertaken an assessment of the potential impact of COVID-19 for at least 12 months from the date of signing these financial statements. Whilst there is significant uncertainty due to the COVID-19 crisis, on the basis of this assessment, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Financial risk management objectives and policies
The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the directors. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk
The company has no exposure to either foreign currency risk or interest rate risk.

Credit risk
The company' s principal financial assets are group loans which are risk - free in the context of this group. Here group is taken to be the entities controlled by Leep Utilities Topco and included within the consolidated accounts thereof.

Trade debtors as presented in the notes to the Balance Sheet are net of provisions for doubtful debts. A provision for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

Liquidity risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company can rely on appropriate funding from the group it belongs to.

Future developments
The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the coming year. The future departure of the UK from the EU gives rise to uncertainty and this will be closely monitored. The company trades entirely within the UK therefore, the directors believe the UK's departure from the EU will not materially impact the company's performance and the level of activity will not be affected.

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

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Victoria Manfredi
Timothy Power
David Glover
Lee Wallace

Results
The results for the year are set out on page 6.

Auditor
The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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 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.

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.

On behalf of the board

Lee Wallace
Director

2 November 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LEEP GAS NETWORKS LIMITED

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss 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 which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

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

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 the 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 the respect of these matters.

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

Report on other legal requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 requires us to report to you 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' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

Rachel Argyle

Rachel Argyle (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester
United Kingdom

2 November 2020

LEEP GAS NETWORKS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Administrative expenses		(74,891)	(4,049)
Exceptional items	3	-	(4,042)
Operating loss	4	(74,891)	(8,091)
Interest payable and similar expenses	6	(7,786)	(2,029)
Loss before taxation		(82,677)	(10,120)
Tax on loss	7	67,717	1,155
Loss for the financial year		(14,960)	(8,965)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

There were no other gains or losses than as presented in the above profit and loss account, and accordingly, no separate statement of comprehensive income is presented.

LEEP GAS NETWORKS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	8		292,570		-
Investments	9		1		1
			292,571		1
Current assets					
Debtors	10	95,131		267,635	
Cash at bank and in hand		348		25,819	
		95,479		293,454	
Creditors: amounts falling due within one year	11	(411,974)		(302,419)	
Net current liabilities			(316,495)		(8,965)
Total assets less current liabilities			(23,924)		(8,964)
Net liabilities			(23,924)		(8,964)
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account			(23,925)		(8,965)
Shareholders deficit			(23,924)		(8,964)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A-small entities.

The financial statements were approved by the board of directors and authorised for issue on 2 November 2020 and are signed on its behalf by:

Lee Wallace
Director

Company Registration No. 10924298

LEEP GAS NETWORKS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2018	1	-	1
Year ended 31 March 2019:			
Loss and total comprehensive expense for the year	-	(8,965)	(8,965)
Balance at 31 March 2019	1	(8,965)	(8,964)
Year ended 31 March 2020:			
Loss and total comprehensive expense for the year	-	(14,960)	(14,960)
Balance at 31 March 2020	1	(23,925)	(23,924)

1 Accounting policies

Company information

Leep Gas Networks Limited is a private company limited by shares incorporated in the United Kingdom, registered in England and Wales. The registered office is The Greenhouse, MediaCityUk, Salford, United Kingdom, M50 2EQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have received confirmation that Leep Utilities Topco Limited ("Leep"), the division's holding company, will continue to provide the necessary level of support to enable the company to continue to operate for the foreseeable future. In considering the ability of Leep to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained an understanding of Leep's forecasts, the continuing availability of its facilities and its strategic and contingent plans.

Leep Gas Networks Limited has net current liabilities of £23,924 (2019: £8,964) stated after amounts owed to group undertakings of £407,988 (2019: £302,419). The Directors have sought confirmation that this will not be called up to the detriment of Leep Gas Networks Limited and therefore consider it appropriate to prepare the accounts on a going concern basis.

Taking all these factors into account, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Operational asset	2.5% straight line per annum
IT Equipment	20% straight line per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Fixed asset investments

This the investment in Smart Energy Code Company Ltd and is measured at cost less any impairment.

1 Accounting policies (Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (Continued)

1.7 Financial instruments (Continued)

Other financial assets
Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
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.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

1.7 Financial instruments **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

Current tax

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

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

1 Accounting policies (Continued)

1.9 Taxation (Continued)

Deferred tax

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.

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.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

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. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 Group 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.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of leases.

1.10 Prepaid development costs

Prepaid development costs relate to capital expenditure in advance of the company commencing trade.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The directors do not consider there to be any critical accounting judgements that must be applied.

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not consider there to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

3 Exceptional costs

	2020	2019
	£	£
Company set up costs	-	4,042

4 Operating loss

Depreciation of owned tangible fixed assets	18,650	-

The auditor's remuneration of £1,500 (2019: £500) for audit work was borne by Leep Holdings (Utilities) Limited, a group company and was not recharged. There has been no remuneration in the year for non-audit services (2019: same).

5 Employees

There were no employees during the year apart from the directors (2019: none).

The directors remuneration is borne by Leep Holdings (Utilities) Limited, a group company and is not recharged as no fair apportionment can be determined.

6 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts	62	60
Interest payable to group undertakings	7,724	1,969
	7,786	2,029

7 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	(66,949)	(1,155)
Adjustments in respect of prior periods	(768)	-
Total current tax	(67,717)	(1,155)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Loss before taxation	(82,677)	(10,120)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(15,709)	(1,923)
Tax effect of expenses that are not deductible in determining taxable profit	261	768
Adjustments in respect of prior years	(768)	-
Deferred tax not provided	(51,501)	-
Taxation credit for the year	(67,717)	(1,155)

Finance Bill 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 March 2019 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year ended 31 March 2020.

A deferred tax asset of £51,501 relating to taxable losses has not been recognised due to the uncertainty of future taxable profits in which to offset it against.

8 Tangible fixed assets

	Operational asset	IT Equipment	Total
	£	£	£
Cost			
At 1 April 2019	-	-	-
Additions	196,882	114,338	311,220
At 31 March 2020	196,882	114,338	311,220
Depreciation and impairment			
At 1 April 2019	-	-	-
Depreciation charged in the year	3,405	15,245	18,650
At 31 March 2020	3,405	15,245	18,650
Carrying amount			
At 31 March 2020	193,477	99,093	292,570
At 31 March 2019	-	-	-

9 Fixed asset investments

	2020	2019
	£	£
Investments	1	1

Movements in fixed asset investments

	Investments
	£
Cost or valuation	
At 1 April 2019 & 31 March 2020	1
Carrying amount	
At 31 March 2020	1
At 31 March 2019	1

This is the investment in Smart Energy Code Company Ltd. The investment is 1 of 309 shares in issue, and thus does not constitute significant influence.

10 Debtors

Amounts falling due within one year:	**2020** £	**2019** £
Amounts owed by group undertakings	67,717	1,156
Prepaid development costs	-	243,222
Other debtors	3,057	23,257
Prepayments and accrued income	24,357	-
	95,131	267,635

Amounts owed from group companies do not carry interest and are repayable on demand.

11 Creditors: amounts falling due within one year

	2020 £	**2019** £
Other creditors	3,986	-
Amounts owed to group undertakings	407,988	302,419
	411,974	302,419

The amounts owed from group companies is £407,988 (2019: £302,419) which carry interest of 1.5% above base rate (2019: 1.5%) per annum charged on the outstanding loan balance.

12 Called up share capital

	2020 £	**2019** £
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1

13 Parent company

The immediate parent company is Leep Utilities Electricity Limited.

Leep Utilities Topco Limited is the parent company undertaking of the only group, of which the company was a member to consolidate these accounts. A copy of the consolidated accounts is available from its registered office at Grenville Street, St Hellier, Jersey, JE4 8PX.

The Company is ultimately controlled by Ancala UK Infrastructure Platform B LP, who does not prepare consolidated accounts for public use.