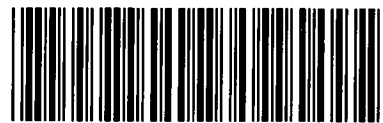


Company Registration No. 10924298 (England and Wales)

LEEP GAS NETWORKS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 223 DAY PERIOD ENDED 31 MARCH 2018

THURSDAY



A04 *A7L6M2LD* #141
20/12/2018
COMPANIES HOUSE

LEEP GAS NETWORKS LIMITED

COMPANY INFORMATION

Directors Victoria Manfredi
Timothy Power
David Glover

Company number 10924298

Registered office The Greenhouse
MediaCityUK
Salford
M50 2EQ

Auditor Deloitte LLP
Statutory Audit
Manchester
United Kingdom

LEEP GAS NETWORKS LIMITED

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LEEP GAS NETWORKS LIMITED

DIRECTORS' REPORT

FOR THE 223 DAY PERIOD ENDED 31 MARCH 2018

The directors present their annual report and audited financial statements for the 223 day period ended 31 March 2018.

The company was incorporated on 21 August 2017.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and for the same reason 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 will be that of distribution of gaseous fuels through mains.

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.

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.

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.

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.

Directors' indemnities

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

LEEP GAS NETWORKS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE 223 DAY PERIOD ENDED 31 MARCH 2018

Directors

Except where stated, the directors who held office from 21 August 2017 and thereafter were as follows:

| | |
|-------------------|----------------------------|
| Victoria Manfredi | (Appointed 21 August 2017) |
| Timothy Power | (Appointed 21 August 2017) |
| David Glover | (Appointed 21 August 2017) |

Results and dividends

The directors do not recommend payment of a final dividend.

Auditor

Deloitte LLP Manchester were appointed as auditor to the company during the period and in accordance with section 485 of the Companies Act 2006, and are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

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; and
- 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.

LEEP GAS NETWORKS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE 223 DAY PERIOD ENDED 31 MARCH 2018

Statement of disclosure to auditor

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

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Approved by the Board of directors and signed on behalf of the Board



Victoria Manfredi

Director

Date: 15/12/18

LEEP GAS NETWORKS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LEEP GAS NETWORKS LIMITED

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 2018 and of its result for the 223 day period 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 Leep Gas Networks Limited (the 'company') which comprise the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 7.

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 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 respect of these matters.

LEEP GAS NETWORKS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LEEP GAS NETWORKS LIMITED

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: <http://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.

LEEP GAS NETWORKS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LEEP GAS NETWORKS LIMITED

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 223 day period 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.

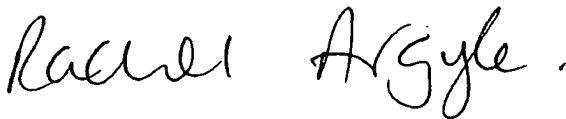
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 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' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



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

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18 December 2018

LEEP GAS NETWORKS LIMITED

BALANCE SHEET

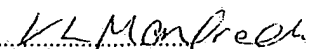
AS AT 31 MARCH 2018

| | Notes | 2018 £ | £ |
|-----------------------------------|-------|-----------|-------|
| Current assets | | | |
| Debtors | 5 | 1 | |
| | | <hr/> | |
| Net current assets and net assets | | | 1 |
| | | | <hr/> |
| Capital and Reserves | | | |
| Called-up share capital | 6 | | 1 |
| | | | <hr/> |
| Shareholders' funds | | | 1 |
| | | | <hr/> |

The company's financial statements have been prepared in accordance with the provisions applicable to the small companies' regime.

The company has not traded during the current period and accordingly no profit or loss account or statement of comprehensive income has been prepared.

The financial statements for Leep Gas Networks Limited, company number 10924298 were approved by the board of directors and authorised for issue on 18/12/18.


Victoria Manfredi
Director

Company Registration No. 10924298

LEEP GAS NETWORKS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE 223 DAY PERIOD ENDED 31 MARCH 2018

| | Notes | Share capital £ |
|--|-------|-----------------------|
| Balance on incorporation | | - |
| Profit and total comprehensive income for the period | | - |
| Issue of share capital | 6 | 1 |
| Balance at 31 March 2018 | | <u>1</u> |

LEEP GAS NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 223 DAY PERIOD ENDED 31 MARCH 2018

1 Accounting policies

Company information

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

The principal accounting policies are summarised below. They have all been applied consistently throughout the current period.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in pounds 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, modified to include the revaluation of freehold properties and to include investment properties at fair value. The principal accounting policies adopted are set out below.

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.

1.2 Going concern

The directors have received confirmation that Leep Utilities Topco Limited ("Leep"), the divisional 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 Peel 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.

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 Cash and cash equivalents

Cash and cash equivalents 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.

1.4 Financial assets

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 assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables 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. Other financial assets classified as fair value through profit or loss are measured at fair value.

LEEP GAS NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 223 DAY PERIOD ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.5 Financial assets (continued)

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. The impairment loss 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 when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.6 Equity instruments

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

1.7 Related party disclosures

The company has taken advantage of the exemption in Section 33 of FRS 102 and has not disclosed details of transactions with fellow wholly owned undertakings within the Leep Utilities Topco Limited group of companies.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, 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.

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, if the revision affects only that period, or in the period of the revision and future periods if 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, apart from those involving estimates which are dealt with separately below:

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.

LEEP GAS NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 223 DAY PERIOD ENDED 31 MARCH 2018

3 Profit before taxation

The auditors remuneration of £500 for audit work was borne by the holding company and was not recharged. There has been no remuneration in the period for non-audit services.

4 Employees

There were no employees during the period apart from the directors.

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

5 Debtors

2018
£

| | |
|------------------------------------|----------|
| Amounts owed by group undertakings | 1 |
| | <u>1</u> |

The carrying value of the company's financial assets measured at amortised cost is £1.

6 Called-up share capital

2018
£

| | |
|------------------------------------|----------|
| Ordinary share capital | |
| Allotted, called up and fully paid | |
| 1 Ordinary share of £1 each | 1 |
| | <u>1</u> |

On 21 August 2017 the company issued 1 ordinary share at par.

LEEP GAS NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 223 DAY PERIOD ENDED 31 MARCH 2018

7 Controlling party

The immediate parent company is Leep Utilities Electricity Limited.

The ownership structure of the entity has changed during the year. Previously, the ultimate holding company was Tokenhouse Limited, a company incorporated in the Isle of Man and controlled by the Billown 1997 Settlement.

During the year, a new holding company, Leep Utilities Topco Limited, was incorporated as a 50:50 joint venture between Ancala Leep Utilities Holdco Limited and Peel Holdings Leep Utilities (IOM) Limited which acquired the entire share capital of the entity's intermediate holding company, Peel Holdings (Utilities) Limited on 12 May 2017. As such, there is no longer a controlling party as the directors regard Ancala Leep Utilities Holdco Limited and Peel Holdings Leep Utilities (IOM) Limited as having joint control of the entity.

Leep Utilities Topco Limited is the parent 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 22 Grenville Street, St Helier, Jersey, JE4 8PX.

Peel Holdings Leep Utilities (IOM) Limited is a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the 1997 Billown Settlement.

Ancala Leep Utilities Holdco Limited is a company incorporated in Jersey (registered number 123748). Copies of its accounts may be obtained from registered office 22 Grenville Street, St Helier, Jersey, JE4 8PX. Its ultimate controlling company is Ancala Forna Holdco Limited.