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Registered number  
England & Wales - FC018502  
Guernsey - 25986

The Gas Supply Company Limited  
Annual Report and Financial Statements  
For the year ended  
31 December 2015



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**The Gas Supply Company Limited**  
**Report and financial statements**  
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## **The Gas Supply Company Limited Company Information**

### **Directors**

C Linsdell  
D Corney  
P Edwards

### **Secretary**

Elian Corporate Services (Guernsey) Limited

### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom

### **Registered office**

The Energy Centre  
Admiral Park  
St Peter Port  
Guernsey  
GY1 3TB

### **Registered number**

England & Wales - FC018502  
Guernsey - 25986

## **The Gas Supply Company Limited Strategic Report**

The Directors present their strategic report, annual report and audited financial statements for the year ended 31 December 2015

### **Principal activities**

The principal activity of the Company is to act as a property holding company

### **Principal risks and uncertainties**

The Company is part of the Brookfield Utilities UK Group "BUUK Group" The principal risks and uncertainties facing the "BUUK Group" and the entity are

#### *Regulatory*

The Group operates in stable and transparent regulated utility markets in the UK The Group is not aware of any proposed changes impacting the existing regulatory frameworks in which it operates Any such change could have either a positive or negative impact on our future business prospects

#### *Health, Safety and Environmental*

The Group operates a comprehensive Health, Safety and Environmental framework to ensure that, as far as possible, it eliminates risk to its employees, customers and the environment The Group has an excellent track record in this regard and has culturally aligned itself to continually improve its performance in this area

#### *Liquidity and Interest Rates*

The Group has a policy of seeking to have a number of sources of funds at any given time to meet its liquidity needs, as well as maintaining a balanced maturity profile to minimise, as far as possible, peaked repayments and refinancing risk Debt facilities are arranged with appropriate financial and operating covenants, ensuring that management has the necessary flexibility in the operation of its business

### **Results**

The profit for the year, after taxation, amounted to £155,871 (2014 profit of £193,800) The Company's performance was in line with expectations The Company's balance sheet position remains strong with net assets at the year-end of £5,001,955 (2014 £4,846,484) The activities of the Company did not change in the year and are expected to continue for the foreseeable future

### **Review of Business**

In its position as a property holding company, the Company does not have any stated key performance indicators (KPI's) The Directors are satisfied that the Company is well placed to continue to perform satisfactorily during the coming year

### **Social, environmental and ethical policy**

The Company is a member of the Brookfield Utilities UK Group of Companies and accordingly adheres to the Group's Social, Environmental and Ethical Policy

The Group recognises that its business activities and practices, and those of its suppliers, may have an impact on its employees, society and the environment As such the Group has developed its own policies and procedures to ensure compliance with these matters The Group expects all employees and its suppliers to work to that Code, which as a minimum standard requires compliance with any relevant international and national, legal or regulatory framework In addition, the Group has maintained registration of ISO 14001 environmental accreditation

## **The Gas Supply Company Limited Strategic Report**

### **Health and Safety**

The Directors are committed to achieving high standards of health and safety in the Group's business activities for employees and customers alike. Policies and procedures are established to maintain continued provision of safe and healthy working conditions compliant with statutory requirements and appropriate codes of practice.

### **Equal Opportunities**

A fair and equal opportunities culture is operated throughout the Group. Employment opportunities, whether in the recruitment, training or promotion of employees, are granted on merit irrespective of race, colour, religion, national origin, age, gender, disability or sexual orientation.

Full consideration and equal opportunities are given to employment applications from disabled persons with due regard to the requirements of the job. Where existing employees become disabled every effort is made to provide opportunities for continued employment within the Group supported with training and development as appropriate.

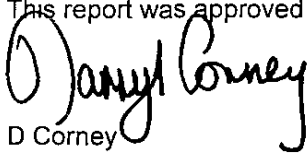
### **Employee involvement**

The Directors recognise the integral importance of their employees in achieving Group success. Employee involvement in the development of the business is encouraged through an open and honest working environment, effective communication of business objectives and performance and actively seeking the opinions and concerns of the wider business team.

This report was approved by the board on

12 July 2016

and signed on its behalf



D Corney  
Director

## **The Gas Supply Company Limited**

**Registered number:** FC018502 (England & Wales) and 25986 (Guernsey)

### **Directors' Report**

The Directors present their annual report and financial statements for the year ended 31 December 2015

#### **Dividends**

The Directors do not recommend the payment of a final dividend (2014 - £nil)

#### **Directors**

The following persons served as Directors during the year, and to the date of this report

C Linsdell  
D Corney  
P Edwards

#### **Directors' indemnities**

The Company has Directors' and Officers' liability insurance to provide against liability in respect of proceedings brought forward by third parties, subject to the conditions set out in The Companies (Guernsey) Law, 2008. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

#### **Directors' responsibilities statement**

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

The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 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 (Guernsey) Law, 2008. 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.

#### **Going Concern**

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing the annual report and financial statements. Further details regarding the adoption of the going concern basis can be found in Note 1 of the financial statements.

**The Gas Supply Company Limited**

**Registered number:** FC018502 (England & Wales) and 25986 (Guernsey)

**Directors' Report**

**Auditor**

Deloitte LLP has indicated its willingness to continue in office and a resolution to reappoint them as the Company's auditor will be put to the forthcoming Annual General Meeting

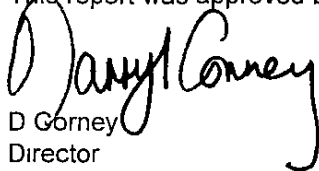
**Disclosure of information to auditors**

Each person who was a Director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a Director in order 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 249(3) of The Companies (Guernsey) Law, 2008

This report was approved by the board on 12 July 2016 and signed on its behalf

  
D Gorney  
Director

**The Gas Supply Company Limited**  
**Independent auditor's report**  
**to the members of The Gas Supply Company Limited**

We have audited the financial statements of The Gas Supply Company Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. 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.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, included within the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

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

We have nothing to report in respect of the following matters where The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records, or
- we have not received all the information and explanations we require for our audit.

*Deloitte LLP*

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom

*13 July 2016*



**The Gas Supply Company Limited**  
**Income Statement**  
**for the year ended 31 December 2015**

	<b>Notes</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Turnover</b>	1	183,500	183,754
Administrative credit		12,737	63,385
<b>Operating profit</b>	2	<u>196,237</u>	<u>247,139</u>
Interest receivable		123	21
Interest payable	4	-	(281)
<b>Profit on ordinary activities before taxation</b>		<u>196,360</u>	<u>246,879</u>
Tax on profit on ordinary activities	5	(40,489)	(53,079)
<b>Profit for the financial year</b>		<u>155,871</u>	<u>193,800</u>

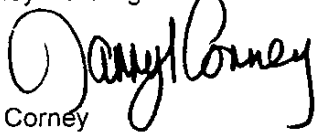
All activities derive from continuing operations

**The Gas Supply Company Limited**  
**Statement of Financial Position**  
**as at 31 December 2015**

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	6	1,655,000	1,655,000
<b>Current assets</b>			
Stocks	7	-	47,631
Debtors	8	3,951,241	4,040,807
Cash at bank and in hand		171,346	783
		<u>4,122,587</u>	<u>4,089,221</u>
<b>Creditors: amounts falling due within one year</b>	9	(774,354)	(898,137)
<b>Net current assets</b>		<u>3,348,233</u>	<u>3,191,084</u>
<b>Total assets less current liabilities</b>		<u>5,003,233</u>	<u>4,846,084</u>
<b>Provisions for liabilities</b>			
Deferred taxation	10	(1,278)	-
<b>Net assets</b>		<u>5,001,955</u>	<u>4,846,084</u>
<b>Capital and reserves</b>			
Called up share capital	11	4,334,359	4,334,359
Profit and loss account	12	667,596	511,725
<b>Total equity</b>		<u>5,001,955</u>	<u>4,846,084</u>

The financial statements of The Gas Supply Company Limited, registered number FC018502 (England & Wales) and 25986 (Guernsey), were approved by the Board of Directors and authorised for issue on 12 July 2016

They were signed on its behalf by

  
D Corney  
Director

**The Gas Supply Company Limited**  
**Statement of Changes in Equity**  
**31 December 2015**

	Share capital	Revaluation reserves	Profit and loss account	Total
	£	£	£	£
<b>At 1 January 2014</b>	4,334,359	(758,074)	1,075,999	4,652,284
Transfer of revaluation reserve under FRS 102 (note 19)	-	758,074	(758,074)	-
<b>At 1 January 2014 (as restated)</b>	<u>4,334,359</u>	<u>-</u>	<u>317,925</u>	<u>4,652,284</u>
Profit for the financial year	-	-	193,800	193,800
<b>At 31 December 2014</b>	<u>4,334,359</u>	<u>-</u>	<u>511,725</u>	<u>4,846,084</u>
<b>At 1 January 2015</b>	4,334,359	-	511,725	4,846,084
Profit for the financial year	-	-	155,871	155,871
<b>At 31 December 2015</b>	<u>4,334,359</u>	<u>-</u>	<u>667,596</u>	<u>5,001,955</u>

**The Gas Supply Company Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2015**

**1 Summary of significant accounting policies**

***Basis of preparation***

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 is 1 January 2014.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to members of a group where consolidated financial statements are publically available. Exemptions have been taken in relation to the presentation of a cash flow statement and remuneration of key management personnel.

On transition to FRS 102 there has been a change in accounting policy in relation to investment property resulting in a transitional adjustment between reserves and reversal of previously charged depreciation. Further details of this transitional adjustment are provided in note 19 to the accounts.

***Turnover***

Turnover represents the amounts receivable from the rental of investment property, net of Value Added Tax. All turnover and profit before taxation, by origin and destination, was attributable to the

***Going Concern***

The Company forms part of the Group known as Brookfield Utilities UK ("BUUK", the "Group") of which the ultimate parent undertaking is Brookfield Infrastructure Partners L.P. BUUK had its investment grade rating from Moody's reaffirmed on 24 September 2015. At 31 December 2015 the Group had the following long term funding:

- Senior Secured Loan notes denominated in GBP (£600 million) and US\$ (US\$300 million). The loan notes are privately placed and have maturity dates ranging from 2023 to 2035. The loan notes are fully drawn down and incur a fixed rate of interest. Cross currency interest rate swaps have been taken out to fix the US\$ denominated interest and capital repayments.
- Bank facilities with a syndicate of banks. In total the Group has facilities of £200 million. As at 31 December 2015 £160.5 million of the facilities remained undrawn. The facilities mature in 2020. Interest is paid on a margin above LIBOR.
- Convertible Loan Notes redeemable in 2044 of £158.5 million.

The Group is required to comply with certain financial covenants on a quarterly basis in compliance with the bank and senior loan note facilities agreement and expects to continue to do so for the foreseeable future.

The Group is cash generative and has access to sufficient funds to continue in operational existence for the foreseeable future and therefore adopts the going concern basis in preparing its financial statements.

All Companies within the BUUK Group have given assurances that intercompany loans in existence at the Statement of Financial Position date will not be recalled within a period of one year from the date of signing of the financial statements, unless a Company is in a position to make repayment. The Company's forecasts, taking into account reasonable possible changes in trading performance to December 2020, show that the Company should have adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors have a reasonable expectation that the Company can continue to meet its liabilities as they fall due, for a period of at least 12 months from the date of this annual report. Accordingly, they have prepared the financial statements on the going concern basis.

**The Gas Supply Company Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2015**

**1 Summary of significant accounting policies (continued)**

***Cash Flow Statement***

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by paragraph 1 12(b) of FRS 102 on the grounds that it is a member of a group where the parent of that group prepares publicly available consolidated financial statements

***Investment property***

Investment property is initially recognised at cost and then subsequently measured at fair value. Changes in value are recognised in the income statement.

***Work in progress***

Work in progress is stated at the lower of cost, which includes an appropriate element of production overhead costs, and net realisable value.

***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

***Creditors***

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

***Taxation***

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

***Leased assets***

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

**The Gas Supply Company Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2015**

<b>2 Operating profit</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Impairment of stock recognised as an expense	43,115	-
Operating lease rentals - land buildings	<u>10,100</u>	<u>10,100</u>

Audit fees for the audit of the Company's annual accounts are £7,100 (2014 £5,560), audit fees are borne by Brookfield Utilities UK 2 Limited

**3 Directors' emoluments and staff costs**

The Directors received no emoluments in the year (2014 £nil) The Directors are Directors/employees of other Group Companies and the services that they provide to the Company are considered ancillary to the services that they provide to those other Group Companies The Company had no employees during the year with all administrative tasks undertaken by employees of fellow group undertakings

<b>4 Interest payable</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>-</u>	<u>281</u>

<b>5 Taxation</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>

**Analysis of charge in year**

Current tax		
Group relief charge in respect of the current year	39,762	53,079
Adjustments in respect of previous periods	<u>(551)</u>	<u>-</u>
	<u>39,211</u>	<u>53,079</u>

Deferred tax		
Origination and reversal of timing differences	836	-
Adjustment to prior year	<u>442</u>	<u>-</u>
	<u>1,278</u>	<u>-</u>

Tax on profit on ordinary activities	<u>40,489</u>	<u>53,079</u>
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**Factors affecting tax charge for year**

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>196,360</u>	<u>246,879</u>
Standard rate of corporation tax in the UK	20 25%	21 50%
	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	39,763	53,079
Effects of		
Expenses not deductible for tax purposes	656	-
Difference between current and future tax rates in the year	179	-
Adjustments to tax charge in respect of previous periods	<u>(109)</u>	<u>-</u>
Tax charge for the year	<u>40,489</u>	<u>53,079</u>

**The Gas Supply Company Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2015**

**5 Taxation (continued)**

**Factors that may affect future tax charges**

The Finance Act 2013, which provides for a reduction in the main rate of corporation tax from 21% to 20% effective from 1 April 2015, was substantively enacted on 3 July 2013

Reductions in the corporation tax rate to 19% from 1 April 2019 and 18% from 1 April 2020 were substantively enacted on 26 October 2015. Consequently deferred tax has been calculated at the year end using a tax rate of 18%

The Company has no unrecognised deferred tax assets or liabilities as at 31 December 2015 (2014 £nil)

**6 Tangible fixed assets**

	<b>Investment property £</b>
<b>Fair value</b>	
At 1 January 2015 and 31 December 2015	<u>1,655,000</u>

The investment property was last valued externally as at 31 December 2013 by Merrifields Chartered Surveyors, an independent valuer, on the basis of existing use value in accordance with the RICS Valuation standards. In the opinion of the Director's there has been no material change to the fair value of the property since the last external valuation performed

If the investment property had not been revalued it would have been included at the following amount

	<b>2015 £</b>	<b>2014 £</b>
Cost	3,059,613	3,059,613
Depreciation	(653,153)	(597,961)
Carrying value	<u>2,406,460</u>	<u>2,461,652</u>

<b>7 Stocks</b>	<b>2015 £</b>	<b>2014 £</b>
Work in progress	<u>-</u>	<u>47,631</u>
<b>8 Debtors</b>	<b>2015 £</b>	<b>2014 £</b>
Trade debtors	5,170	7,570
Amounts owed by fellow subsidiary undertakings	3,772,849	4,030,334
Other debtors	145,957	110
Prepayments and accrued income	27,265	2,793
	<u>3,951,241</u>	<u>4,040,807</u>

Amounts owed by fellow subsidiary undertakings are unsecured and repayable on demand. Interest is charged on trading balances at 6.3% (2014 - 6.3%)

**The Gas Supply Company Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2015**

<b>9 Creditors amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	61,112	164,153
Amounts owed to fellow subsidiary undertakings	326,577	375,813
Other creditors	386,665	358,171
	<u>774,354</u>	<u>898,137</u>

Amounts owed to fellow subsidiary undertakings are non-interest bearing, unsecured and repayable on demand

<b>10 Deferred taxation</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>1,278</u>	<u>-</u>
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
At 1 January	-	-
Charged to the profit and loss account	<u>1,278</u>	<u>-</u>
At 31 December	<u>1,278</u>	<u>-</u>

<b>11 Share capital</b>	<b>Nominal value</b>	<b>Number</b>	<b>2015</b>	<b>2014</b>
			<b>£</b>	<b>£</b>
Allotted, called up and fully paid Ordinary shares	£1 each	4,334,359	<u>4,334,359</u>	<u>4,334,359</u>

<b>12 Profit and loss account</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
At 1 January	511,725	317,925
Profit for the financial year	155,871	193,800
	<u>667,596</u>	<u>511,725</u>

**13 Other financial commitments**

Total future minimum lease payments under non-cancellable operating leases

	<b>Land and buildings</b>	<b>Land and buildings</b>
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Falling due		
within one year	10,100	10,100
within two to five years	40,400	40,400
in over five years	<u>1,091,642</u>	<u>1,101,742</u>
	<u>1,142,142</u>	<u>1,152,242</u>



**The Gas Supply Company Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2015**

**14 Related party transactions**

The Company has taken advantage of the exemption provided by FRS 102 paragraph 33 1A not to disclose transactions with other wholly-owned Group undertakings

The Company has taken advantage of the exemption provided by FRS 102 paragraph 1 12 (e) not to disclose key management personnel compensation

**15 Controlling party**

The Company's immediate parent undertaking is Brookfield Utilities UK No 2 Limited, a Company registered in England and Wales. The Company's ultimate parent undertaking and controlling party is Brookfield Infrastructure Partners L P, which is registered in Bermuda.

The smallest Group of which the Company is a member and for which Group financial statements are prepared is Brookfield Utilities UK No 2 Limited, a Company registered in England and Wales. The largest Group the Company is a member and for which Group financial statements are prepared is Brookfield Infrastructure Partners L P, which is registered in Bermuda.

Brookfield Infrastructure Partners L P's financial statements can be obtained from Brookfield Infrastructure Partners L P, Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda.

**16 Presentation currency**

The financial statements are presented in Sterling, which is also the functional currency.

**17 Legal form of entity and country of incorporation**

The Gas Supply Company Limited is a limited company incorporated in Guernsey, under the States of Guernsey Law.

**18 Principal place of business**

The address of the Company's principal place of business and registered office is

Energy House  
Woolpit Business Park  
Windmill Avenue  
Woolpit  
Bury St Edmunds  
Suffolk  
IP30 9UP

**The Gas Supply Company Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2015**

**19 Reconciliations on adoption of FRS 102**

This is the first year the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102 the following accounting policies have changed to comply with that standard.

*Accounting treatment of Investment Property*

The Company holds property for the purposes of renting it out to fellow Group undertakings. Under old UK GAAP the property was accounted for as fixed asset land and buildings held at revaluation. This accounting policy required any gain or loss on revaluation of the property to be recognised through the Statement of Recognised Gains or Losses. The resulting surplus or deficit was held separately in a revaluation reserve within equity. The property was depreciated in the intervening periods between external valuations.

Under Section 16 of FRS 102 this property meets the definition of an investment property. An investment property under FRS 102 is to be accounted for at fair value through profit or loss with any changes in fair value of the property recognised directly in the income statement. A transitional adjustment is therefore required to transfer the revaluation reserve and transfer this into retained earnings. A further adjustment is required to remove any depreciation charged since the last external valuation.

<b>Profit and loss for the year ended 31 December 2014</b>	<b>£</b>
Profit under former UK GAAP	158,209
Reversal of depreciation previously charged on fixed assets	35,591
Profit under FRS 102	<u>193,800</u>
<b>Balance sheet at 31 December 2014</b>	<b>£</b>
Equity under former UK GAAP	4,810,493
Reversal of depreciation previously charged on fixed assets	35,591
Equity under FRS 102	<u>4,846,084</u>
<b>Balance sheet at 1 January 2014</b>	<b>£</b>
Equity under former UK GAAP	4,652,284
No change	-
Equity under FRS 102	<u>4,652,284</u>