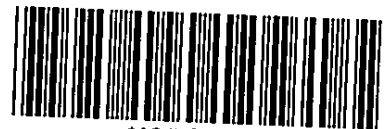


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Registered numbers
Guernsey 25986
England and Wales FC018502

The Gas Supply Company Limited
Annual report and Financial Statements
For the year ended
31 December 2013

TUE THURSDAY



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A24	30/10/2014	#358
	COMPANIES HOUSE	
	A3HI1UOY	
A84	30/09/2014	#13
	COMPANIES HOUSE	

The Gas Supply Company Limited
Company Information

Directors

C Linsdell

D Corney

P Edwards

Company Secretary

IEG SECRETARIES 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 numbers

Guernsey 25986

FC018502

The Gas Supply Company Limited

NOTICE OF MEETING

NOTICE is hereby given that the Annual General Meeting of the Company will be held at Energy House, Woolpit Business Park, Woolpit, Suffolk, IP30 9UP on 16 September 2014 for the following purpose -

- 1 Election of Chairman
- 2 Read Notice convening the Meeting
- 3 Approve the minutes of the Annual General Meeting to be held
- 4 Receive the Directors' Report and financial statements for the year ended 31 December 2013
- 5 Election of Directors
- 6 Declare a Dividend
- 7 To receive the Auditor's Report
- 8 Re-appoint Auditor and to fix the remuneration
- 9 Transact any other ordinary business of the Company

By Order of the Board

IEG SECRETARIES LIMITED

Company Secretary

The Energy Centre
Admiral Park
St Peter Port
Guernsey

The Gas Supply Company Limited
Registered number: Guernsey 25986
Strategic report

The Directors present their Strategic report, annual report and audited financial statements for the year ended 31 December 2013

Principal activities

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

Going concern

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

Results and dividends

The results for the year are shown in the profit and loss account on page 5.

The profit for the year after taxation amounted to £105,784 (2012: loss £61,500). The Company's performance was in line with prior year and with expectations because the activities of the Company did not change in the year. The Company turned a profit during the year compared with the prior year due to the capitalisation of intercompany balances meaning intercompany interest was not charged during the year. The Balance sheet was relatively unchanged at the end of the year in comparison to the prior year. The revaluation of the building was immaterial.

Social, environmental and ethical policy

The Company is a member of the Brookfield Utilities UK (BUUK) 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.

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

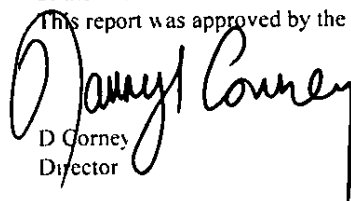
A fair and equal opportunities culture is operated throughout the group. Employment opportunities, whether in the recruitment, training or promotion of employees, are granted on merit irrespective of race, colour, religion, national origin, age, gender, disability or sexual orientation.

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 16/09/2014 and signed on its behalf


D Corney
Director

The Gas Supply Company Limited
Registered number Guernsey 25986
Directors' Report

Dividends

The Directors do not recommend the payment of a dividend for the year (2012 - £Nil)

Directors

The following persons served as Directors during the year

C Linsdell

N Shaw - resigned 6 January 2014

D Corney

P Edwards - appointed 4 February 2014

Directors' statement as to disclosure of information to the auditor

The Directors who were members of the board at the time of approving the Directors' report are listed on page 1. Having made enquiries of fellow Directors, each of these Directors confirms that

- To the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditor is unaware and
- Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of 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

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the 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). 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

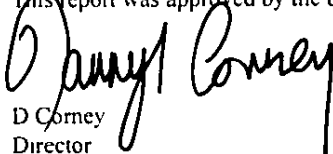
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare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

Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 16/09/2014 and signed on its behalf



D Corney
Director

**Independent Auditor's Report
to the shareholders of The Gas Supply Company Limited**

We have audited the financial statements of The Gas Supply Company Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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).

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, 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 (APB'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 Directors' 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 2013 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 and returns, or
- we have not received all the information and explanations we require for our audit.

Deloitte LLP

Deloitte LLP
Chartered Accountants
London
United Kingdom

16 September 2014

The Gas Supply Company Limited
Profit and Loss Account
for the year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	2	399,315	397,519
Cost of sales		-	(691)
Gross profit		399,315	396,828
Administrative expenses		(250,873)	(228,238)
Operating profit	3	<u>148,442</u>	<u>168,590</u>
Exceptional items			
Loss on the disposal of network assets		-	(14,306)
		<u>148,442</u>	<u>154,284</u>
Interest receivable	4	12	8
Interest payable	5	(21)	(220,236)
Profit/(loss) on ordinary activities before taxation		<u>148,433</u>	<u>(65,944)</u>
Tax on profit/(loss) on ordinary activities	6	(42,649)	4,444
Profit/(loss) for the financial year	12	<u>105,784</u>	<u>(61,500)</u>

Turnover and operating profit are wholly derived from continuing operations

The Company has no recognised gains or losses in the year other than the losses for the year as stated above

The notes on page 8 to 12 form part of these financial statements

The Gas Supply Company Limited
Note of Historical Cost Profits and Losses
for the year ended 31 December 2013

	2013	2012
	£	£
Reported profit / (loss) on ordinary activities before taxation	148 433	(65,944)
Difference between historical cost depreciation charge and actual depreciation charge	(20,189)	(21,690)
Historical cost profit / (loss) on ordinary activities before taxation	<u>128,244</u>	<u>(87,634)</u>
Historical cost profit / (loss) after taxation	<u>85,595</u>	<u>(83,190)</u>

A reconciliation of movements in shareholders' funds is set out in note 12 to the financial statements

A statement of movements on reserves is given in note 12

The notes on page 8 to 12 form part of these financial statements

The Gas Supply Company Limited
Balance Sheet
as at 31 December 2013

	Notes	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	7		1 655,000		1,669,130
Current assets					
Work in progress		30,699		14,894	
Debtors	8	3,764,674		3,549,812	
Cash at bank and in hand		75		-	
		<u>3 795,448</u>		<u>3,564 706</u>	
Creditors' amounts falling due within one year	9	(798,164)		(714,650)	
Net current assets			<u>2,997,284</u>		<u>2,850,056</u>
Total assets less current liabilities			<u>4 652,284</u>		<u>4,519,186</u>
Net assets			<u>4,652,284</u>		<u>4,519,186</u>
Capital and reserves					
Called up share capital	11		4,334,359		4,334,359
Revaluation reserve	12		(758 074)		(785,388)
Profit and loss account	12		1,075,999		970 215
Shareholders' funds	12		<u>4,652,284</u>		<u>4,519,186</u>

The financial statements of The Gas Supply Company Limited (registered number England and Wales FC018502) were approved by the Board of Directors and authorised for issue on 16/09/2014.
They were signed on its behalf by

D Corney
Director

The notes on page 8 to 12 form part of these financial statements

The Gas Supply Company Limited
Notes to the Financial Statements
for the year ended 31 December 2013

1 Accounting policies

Accounting convention

These financial statements have been prepared on a consistent basis with previous years, using the historical cost convention modified to include the revaluation of certain fixed assets and comply with applicable United Kingdom accounting standards

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. At 31 December 2013 the group had the following sources of funding

- Senior Secured Loan notes denominated in GBP (£400 million) and US\$ (US\$300 million) The loan notes are privately placed and have maturity dates ranging from 2023 to 2033 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 principal repayments

- Bank facilities with a syndicate of banks In total the group has facilities of £140 million As at 31 December 2013 £106.6 million of the facilities remained undrawn The debt facilities mature in 2017 or 2034 depending on the facility Interest is paid on a margin above LIBOR

- Convertible Loan Notes redeemable in 2044 of £158.5 million

The group 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

The Company is financed by intercompany loans All companies within the BUUK group have given assurances that intercompany loans in existence at the balance sheet 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 account of reasonably possible changes in trading performance to December 2017 show that the Company should have adequate resources to continue in operational existence for the foreseeable future Therefore despite the on going economic uncertainty, 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 report They have prepared the financial statements on the going concern basis

Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 (revised) on the grounds that it is a wholly owned subsidiary undertaking

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation and provision for impairment Depreciation is provided at rates calculated to write off the cost of fixed assets on the straight line method over their estimated useful lives

The principal rates in use are -	%
Plant and Machinery	20
Buildings	2

A full valuation of the freehold property is carried out every five years with an interim valuation in year three of each period An interim valuation will be undertaken on the property in other years where the Directors believe it is likely that there may have been a material change in value All valuations are undertaken by qualified external valuers

On revaluation the surplus or deficit on net book value is transferred to the revaluation reserve except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit is charged (or credited) to the profit and loss account where it represents a clear consumption of economic benefits Where the recoverable amount exceeds the valuation method required by FRS15, any reduction in value is not deemed to be a consumption of economic benefits and the movement is recognised in the revaluation reserve To the extent the recoverable amount is lower than the valuation method, any reduction in value is recognised in the profit and loss account

Work in progress

Work in progress has been stated at the lower of cost and net realisable value Work in progress has been stated at cost of direct materials and labour

Operating leases

Rentals under operating leases are charged 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 2013

1 Accounting policies (continued)

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exception:

- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

2 Turnover

Turnover represents the value of sales and services invoiced to customers excluding value added tax. The origination and destination of all turnover is within the United Kingdom. Sales of goods are recognised when goods are delivered and title has passed. Rental income is recognised on a straight-line basis over the term of the lease.

3 Operating profit

	2013 £	2012 £
Operating profit is stated after charging the following:		
Depreciation of owned fixed assets	35,003	33,500
Operating lease rentals - land buildings	10,000	10,100
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	-	19,213

Audit fees for the audit of the Company's annual accounts are £6,600. Audit fees are borne by Brookfield Utilities UK 2 Limited.

4 Interest receivable

	2013 £	2012 £
Interest receivable and similar income	12	8

5 Interest payable

	2013 £	2012 £
Interest payable to immediate parent company	-	220,236
Other loans	21	-
	21	220,236

6 Taxation

	2013 £	2012 £
a) Analysis of credit		
Current tax		
Group relief credit in respect of the current year	42,649	(4,444)
Tax on profit/(loss) on ordinary activities	42,649	(4,444)

The Gas Supply Company Limited
Notes to the Financial Statements
for the year ended 31 December 2013

6 Taxation (continued)

b) Factors affecting tax charge / (credit) for period

The tax assessed on the profit / (loss) on ordinary activities for the year is higher (2012: lower) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are reconciled below:

	2013 £	2012 £
Profit/(loss) on ordinary activities before tax	148,433	(65,944)
Profit / (loss) on ordinary activities multiplied by the blended standard rate of corporation tax of 23.25% (2012: 24.5%)	34,511	(16,156)
Effects of:		
Expenses not deductible for tax purposes	6,918	3,505
Depreciation in excess of capital allowances	1,220	8,207
Current tax charge / (credit) for year	42,649	(4,444)

c) Factors that may affect future tax charges

The Finance Act 2013, which provides for a reduction in the main rate of corporation tax from 23% to 21% effective from 1 April 2014, was substantively enacted on 3 July 2013. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

The Government intends to enact future reduction in the main tax rate down to 20% effective from 1 April 2015. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

At 31 December 2013 the Company had a deferred tax asset amounting to £40,531 (2012: £45,404) in respect of timing differences in respect of property, plant and equipment. This has not been recognised as it is not probable that the asset will be utilised in the foreseeable future against taxable income.

7 Tangible fixed assets

	Land and buildings £
Valuation	
At 1 January 2013	1,752,880
Surplus on revaluation	(91,439)
Disposals	(6,441)
At 31 December 2013	1,655,000
Depreciation	
At 1 January 2013	83,750
Charge for the year	35,003
Surplus on revaluation	(118,753)
At 31 December 2013	-
Net book value	
At 31 December 2013	1,655,000
At 31 December 2012	1,669,130

The freehold and leasehold properties were last valued externally by Merrifields Chartered Surveyors as at 31 December 2013 on the basis of existing use value in accordance with the RICS Valuation standards. The valuations on the basis of depreciated replacement cost are subject to the adequate potential profitability of the business compared with the value of the total assets employed, as determined by the Directors.

The net book value of freehold land and buildings on a historic cost basis is £2,516,844 (2012: £2,572,037).

The Gas Supply Company Limited
Notes to the Financial Statements
for the year ended 31 December 2013

8 Debtors	2013	2012
	£	£
Amounts falling due within one year		
Trade debtors	-	49,492
Amounts owed by fellow subsidiary undertakings	3 704 994	3 430 817
Amounts owed by fellow group companies	24,687	24,687
Other debtors	194	422
Prepayments and accrued income	34,799	44,394
	<u>3 764,674</u>	<u>3 549,812</u>

Amounts owed by fellow subsidiary undertakings immediate and ultimate parent undertakings are unsecured and repayable on demand

9 Creditors amounts falling due within one year	2013	2012
	£	£
Bank loans and overdrafts	-	14
Trade creditors	102,737	42,195
Amounts owed to fellow subsidiary undertakings	320 828	277 700
Other creditors	367,549	368,919
Accruals and deferred income	7 050	25 822
	<u>798,164</u>	<u>714 650</u>

Non-interest bearing amounts owed to immediate parent undertaking and fellow subsidiary undertakings are unsecured and repayable on demand

10 Commitments	2013	2012
	£	£
Annual lease commitments		
Operating leases which expire after more than five years	<u>10,000</u>	<u>10,100</u>

11 Called-up share capital

	Issued	Issued	2013	2012
	2013	2012	2013	2012
	No	No	£	£
Allotted, called-up and fully paid				
A Ordinary Shares of £1 each	4 334 359	4 334 359	4,334,359	4,334,359
	<u>4 334 359</u>	<u>4 334 359</u>	<u>4,334,359</u>	<u>4 334 359</u>

The Gas Supply Company Limited
Notes to the Financial Statements
for the year ended 31 December 2013

12 Reconciliation of movement in shareholders' funds and movement on reserves

	Called-up share capital	Revaluation reserve	Profit and loss account	Total shareholders' funds 2013	Total shareholders' funds 2012
	£	£	£	£	£
At 1 January	4 334 359	(785 388)	970 215	4 519 186	266,327
Profit/(loss) for the financial year	-	-	105 784	105 784	(61,500)
Shares issued	-	-	-	-	4 314,359
Transfer on revaluation	-	27 314	-	27,314	-
At 31 December	<u>4,334,359</u>	<u>(758,074)</u>	<u>1,075,999</u>	<u>4,652 284</u>	<u>4,519,186</u>

13 Related party transactions

As 100% of the issued share capital of the Company is owned by a group whose consolidated financial statements are publicly available it is not required to disclose transactions with other wholly owned group undertakings that would otherwise be required under Financial Reporting Standard 8 'Related Party Disclosures'

14 Ultimate controlling party

The Company's immediate parent Company is Brookfield Utilities UK 2 Limited, a Company incorporated 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 in which the results of the Company are consolidated is Brookfield Utilities UK No 2 Limited which is incorporated in England and Wales and the largest group in which the results of the Company are consolidated is Brookfield Infrastructure Partners L.P.

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.