Island Gas (Singleton) Limited

Report and Unaudited Financial Statements
for the year ended 31 December 2019

Company information

Ultimate parent undertaking	IGas Energy plc
Directors	S D Bowler J L Tedder T Perera Schuetze
Registered number	01021095
Registered office	7 Down Street London W1J 7AJ
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

Copies of Report and Unaudited Financial Statements

Further copies of this Report and Unaudited Financial Statements can be obtained from Island Gas (Singleton) Limited's Registered Office.

Directors' report

Registered number: 01021095

The Directors present their report and unaudited financial statements of Island Gas (Singleton) Limited (the "Company") for the year ended 31 December 2019.

Directors of the company

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are shown on Page 1.

Dividends

The Directors do not recommend the payment of a dividend.

Principal activities and future developments

Early in 2017, as part of the reorganisation of assets within the IGas Energy plc Group (the "Group"), the entire business of the Company was transferred to IGas Energy Enterprise Limited, a fellow subsidiary of IGas Energy plc. The Company currently has no operations.

Basis of preparation

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Directors have also taken advantage of the small companies' exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

Financial instruments

The Company finances its activities with a combination of intercompany loans and cash. Advances from affiliates are used to satisfy short term cash flow requirements.

The Company manages its exposure to key financial risks in accordance with the financial risk management policy of the Group. The objective of the policy is to support the Company's financial targets while protecting future financial security. The Company is exposed to the following risks:

- Liquidity risk

The Company manages liquidity risk by maintaining adequate banking and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities and future capital and operating commitments. External borrowing facilities are managed by the Group.

Events since the balance sheet date

There have been no events since the balance sheet date which require disclosure under IAS 10.

Directors' liabilities

Subject to the conditions set out in the Companies Act 2006, the Company has arranged appropriate directors and officers insurance to indemnify the Directors and Officers against liability in respect of proceedings brought by third parties. Such provision remains in force at the date of this report.

The Company indemnifies the Directors against actions they undertake or fail to undertake as Directors or Officers of any Group company, to the extent permissible for such indemnities to meet the test of a qualifying third party indemnity provision as provided for by Section 234 of the Companies Act 2006. The nature and extent of the indemnities is as described in Section 14 of the Company's Articles of Association as adopted on 14 July 2011. These provisions remained in force throughout the year and remain in place at the date of this report.

Directors' report (continued)

Registered number: 01021095

Audit exemption

For the year ended 31 December 2019, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
- the Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

On behalf of the Board

J L Tedder
24 July 2020

Directors' report (continued)

Registered number: 01021095

Statement of directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

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.

J L Tedder
Director
24 July 2020

Income statement
For the year ended 31 December 2019

	Note	**Year ended 31 December 2019 £000**	Year ended 31 December 2018 £000
Impairment loss on financial assets	**8**	**(11,948)**	-
Operating loss	**3**	**(11,948)**	-
Interest receivable and similar income	**5**	**158**	1,610
Interest payable and similar expenses	**6**	**(4,351)**	(3,394)
Loss before tax		**(16,141)**	(1,784)
Income tax credit/(expense)	**7**	**-**	-
Loss for the financial year		**(16,141)**	(1,784)

All amounts relate to continuing activities.

Statement of comprehensive income
For the year ended 31 December 2019

	Year ended 31 December 2019 £000	Year ended 31 December 2018 £000
Loss for the year	**(16,141)**	(1,784)
Total comprehensive loss for the year	**(16,141)**	(1,784)

The notes on pages 8 to 16 are an integral part of these financial statements.

Statement of financial position
At 31 December 2019

	Note	31 December 2019 £000	31 December 2018 £000
Current assets			
Other receivables	8	**54,146**	64,623
Cash and cash equivalents		**-**	23
		54,146	64,646
Current liabilities			
Creditors: amounts falling due within one year	9	**(7,541)**	(5,294)
Net current assets		**46,605**	59,352
Total assets less current liabilities		**46,605**	59,352
Non-current liabilities			
Creditors: amounts falling due after more than one year	10	**(51,216)**	(47,822)
		(51,216)	(47,822)
Net (liabilities)/assets		**(4,611)**	11,530
Capital and reserves			
Called up share capital	11	**4,357**	4,357
Accumulated (deficit)/surplus		**(8,968)**	7,173
Total shareholders' (deficit)/equity		**(4,611)**	11,530

The notes on pages 8 to 16 are an integral part of these financial statements.

Audit exemption

For the year ended 31 December 2019, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on page 5 to 16 were approved and authorised for issue by the Board on 24 July 2020 and are signed on its behalf by:

J L Tedder
Director

Statement of changes in equity
For the year ended 31 December 2019

	Called up share capital (note 11) £000	Accumulated surplus/ (deficit) £000	Total shareholders' equity/(deficit) £000
At 1 January 2018	4,357	8,957	13,314
Total comprehensive loss for the year	-	(1,784)	(1,784)
At 31 December 2018	4,357	7,173	11,530
Total comprehensive loss for the year	**-**	**(16,141)**	**(16,141)**
At 31 December 2019	**4,357**	**(8,968)**	**(4,611)**

The notes on pages 8 to 16 are an integral part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2019

1. General information

The financial statements of Island Gas (Singleton) Limited (the "Company") for the year ended 31 December 2019 were approved by the Board and authorised for issue on 24 July 2020.

The Company is a private company limited by share capital incorporated in England and domiciled in the UK.

The address of its registered office is: 7 Down Street, London W1J 7AJ

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1. Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act) as applicable to companies using FRS 101. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 13 gives details of the Company's ultimate parent undertaking and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The financial statements are prepared in accordance with the historical cost convention and have been prepared on the going concern basis.

The Company's financial statements are presented in Pounds Sterling.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of: paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- the requirement of paragraph 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors, requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective.

2.1. Basis of preparation (continued)

Going concern

The Company is reliant on the continued financial support of its ultimate parent undertaking, IGas Energy plc ("IGas"). The Directors therefore considered the going concern assessment prepared in respect of the unaudited consolidated financial statements of IGas for the year ended 31 December 2019, approved on 9 April 2020, which included disclosure of the following information in respect of the IGas Group's ability to continue as a going concern:

"The Group continues to closely monitor and manage its liquidity risks. Cash forecasts for the Group are regularly produced based on, inter alia, management's best estimate of:

- *The Group's production and expenditure forecasts;*
- *Future oil prices;*
- *The level of available facilities under the group's RBL; and*
- *Foreign exchange rates.*

Sensitivities are run to reflect different scenarios including, but not limited to, possible further reductions in commodity prices, strengthening of sterling and reductions in forecast oil and gas production rates.

In the first quarter of 2020, the oil price has been affected by the global spread of COVID-19 and the resultant reduction in oil demand. This situation has since been compounded by the failure of OPEC to reach an agreement on constraining supply and the decision of several countries to increase output. At the date of this report, there remains significant uncertainty over the impact of COVID-19 on future global demand for oil and therefore the price of oil.

The ability of the Group to operate as a going concern is dependent upon the future oil prices and foreign exchange rates as they impact the continued generation of future cash flows and the loan facility available under its RBL (which is redetermined semi-annually based on various parameters including oil price and level of reserves) and is also dependent on the Group not breaching its RBL covenants. To mitigate these risks, the Group benefits from its hedging policy with 420,000 bbls hedged at an average minimum price of $53.6/bbl for 2020. The Group also has $12 million of foreign exchange hedges in place at rates between $1.17-$1.20:£1 for the period to 30 June 2021. Furthermore, the Group's net reserves position has increased by 1.5 mmboe during 2019 which will partially offset any impact of lower prices in its RBL facility at the next redetermination in May 2020.

Management has considered the impact of the COVID-19 global crisis on the Group's operations. We continue to monitor the situation closely and act within Government guidelines and have a number of contingency plans in place should our operations be significantly affected by COVID-19. Many of our sites are remotely manned and at this stage we are well equipped as a business to ensure we maintain business continuity. Our production comes from a large number of wells in a variety of locations (all of which are on land and in the UK) and we have flexibility in our off-take arrangements, as we transport oil via road. In this regard, we continue to liaise and co-operate with all the relevant regulators.

The Group's base case going concern model was run with average oil prices of $32/bbl for April to December 2020 rising to $45/bbl from January 2021 and a foreign exchange rate of $1.20:£1 during the period. Our forecasts show that the Group will have sufficient financial headroom to meet its financial covenants based on the existing RBL facility, as well as an estimate, based on management's knowledge and past experience, of the outcome of the next half-yearly redetermination due in May 2020, and the following redetermination date in December 2020, albeit the level of the facility available to us is dependent on the facility provider, BMO, and is beyond our control.

2.1. Basis of preparation (continued)

Going concern (continued)

Given the uncertainties described above, the level of Group revenues and availability of facilities under the RBL are inherently uncertain. As such management has also prepared a downside forecast with the following assumptions:

- *Oil prices at $20/bbl in the second quarter of 2020 rising to $30/bbl in the fourth quarter of 2020 and $43-$45/bbl in 2021. As this assumption is lower than external current forward curves, management considers this is a reasonable downside scenario that reflects further potential reductions in price caused by the failure of OPEC to reach an agreement on constraining supply and lower demand from reduced industrial activity caused by COVID-19. This downside is partially mitigated by the commodity hedges the Group has in place. However, oil price is outside the Company's control and this could be lower should there be further market disruption either from COVID-19, or OPEC disagreements;*
- *No change to the level of available RBL loan facility during the forecast period as this reflects longer term oil price assumptions that have been considered in conjunction with recent discussions with the RBL facility provider;*
- *A reduction in production of 10% to reflect a disruption risk to operational and production related activities from the COVID-19 crisis. As the Group is providing a government designated essential service and due to the large number of operational wells, the impact of COVID-19 on production has to date been very limited and has been assumed to remain so as management does not currently foresee wells needing to be shut down due to the impact of COVID-19. Management therefore considers this assumption represents a reasonable downside in this uncertain time based on management's experience of previous unplanned shut downs;*
- *Exchange rates of $1.20:£1 for 2020 and $1.25:£1 for 2021 to reflect a downside caused by the weakening of the dollar later in the period. This downside is partially mitigated by the currency hedges the Group has in place; and*
- *Includes the impact of action management could take to reduce cash outflow, including delaying capital expenditure and additional reductions in costs in order to remain within the Company's debt liquidity covenants based on the Group's expected RBL redeterminations in May 2020 and December 2020. All such mitigating actions are within management's control and could be actioned within the required time frame.*

In this downside scenario, our forecast shows that the Group will have sufficient liquidity and financial headroom to meet its financial covenants for the 12 months from the date of approval of the financial statements. However, should oil price or demand (and therefore revenue) fall further, the Company may not have sufficient funds available for 12 months from the date of approval of these financial statements. As a result, at the date of approval of the financial statements, there is material uncertainty over future commodity prices, the outcome of the May 2020 redetermination of the RBL and the potential impact of COVID-19 on the Group's operational activities. These material uncertainties may cast significant doubt upon the Group's ability to continue as a going concern. Notwithstanding these material uncertainties, the Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future and have concluded it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern."

2.2. New and amended standards and interpretations

During the year, the Company adopted the following new and amended IFRSs for the first time for the Company's activities commencing 1 January 2019.

IFRIC Interpretation 23	Uncertainty over Income Tax Treatments

The new standards and interpretations listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3. Judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements in accordance with FRS 101 requires management to make judgements and estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, the Company has identified the following areas where significant judgements and estimates are required, and where if actual results were to differ, this could materially affect the financial position or financial results reported in future periods. Further information on each of these and how they impact the various accounting policies are described in the relevant notes to the financial statements.

2.4. Significant accounting policies

(a) Financial instruments

Other receivables

Details about the Company's impairment policy and the calculation of expected credit loss allowance is provided in the Impairment of financial assets accounting policy below.

Other payables

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable.

Impairment of financial assets

At the end of each reporting period, a provision is made if there is objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment loss is incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

Assets carried at amortised cost
For loans and receivables, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred), discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of loss is recognised in the income statement.

If in the subsequent period, the amount of loss decreased and the decrease is related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

2.4. Significant accounting policies (continued)

(a) Financial instruments (continued)

Impairment of financial assets (continued)

Expected credit loss
The Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of receivables.

(b) Group loans

Group borrowings are measured initially at fair value. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. When management estimates of the amounts or timings of cash flows are revised, borrowings are re-measured using the revised cash flow estimates under the original effective interest rate with any consequent adjustment being recognised in the Income Statement.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

(c) Taxation

The tax charge/credit includes current tax and deferred tax.

Current income tax assets and liabilities are measured at the amount expected to be recovered or paid to the tax authorities. Taxable profit/(loss) differs from the profit/(loss) before taxation as reported in the Income Statement as it excludes items of income or expense that are taxable or deductible in different periods and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Temporary differences arise from differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are not discounted. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

2.4. Significant accounting policies (continued)

(d) Equity

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs, and allocated between called up share capital and share premium accounts as appropriate.

(e) Foreign currency

The financial statements are presented in UK pound sterling, which is the Company's functional currency. Transactions denominated in currencies other than functional currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date. All differences that arise are recorded in the income statement.

3. Operating loss

Operating loss is stated after charging an impairment loss on financial assets (note 8).

The audit fee for the year ended 31 December 2018 of £2,000 was bourne by another Group Company.

The Company does not have any employees (2018: none).

4. Directors' remuneration

No Directors serving at the balance sheet date or during the current or previous financial year have been paid any emoluments by the Company as they are employed by either IGas Energy plc or another member of the Group.

No management charge has been made by IGas Energy plc (2018: £nil). No amounts are charged for Directors' services.

Details of emoluments paid to Directors for services to the IGas Group are detailed in the IGas Energy plc Annual Report and Accounts available on the ultimate parent undertaking's website at www.igasplc.com.

5. Interest receivable and similar income

	Year ended 31 December 2019 £000	Year ended 31 December 2018 £000
Interest income from amounts owed by Group undertakings	**158**	158
Foreign currency exchange gain	**-**	1,452
Interest receivable and similar income	**158**	1,610

6. Interest payable and similar expenses

	Year ended 31 December 2019 £000	Year ended 31 December 2018 £000
Interest expense from amounts owed to Group undertakings	**(3,394)**	(3,394)
Other charges	**(1)**	-
Foreign currency exchange loss	**(956)**	-
Interest payable and similar expenses	**(4,351)**	(3,394)

7. Income tax credit/(expense)

Tax expense on loss from ordinary activities

	Year ended 31 December 2018 £000	Year ended 31 December 2018 £000
Current tax		
Current income tax for the year	-	-
Income tax expense	-	-

Tax is borne at 19% (2018: 19%).

Factors affecting the tax credit/(expense)

A reconciliation of the UK statutory corporation tax rate applicable to the Company's loss before tax to the Company's total tax expense is as follows:

	Year ended 31 December 2019 £000	Year ended 31 December 2018 £000
Loss before tax	**(16,141)**	(1,784)
Expected tax credit based on profit before tax multiplied by the average rate of corporation tax in the UK of 19% (2018: 19%)	**3,066**	339
Tax effect of expenses not allowable for tax purposes	**(2,270)**	-
Group relief surrendered	**(796)**	(339)
Income tax credit/(expense)	-	-

8. Other receivables

	31 December 2019 £000	31 December 2018 £000
Amounts due from Group undertakings	**54,146**	64,623
Total debtors	**54,146**	64,623

Payment terms for balances due from Group undertakings are as mutually agreed between the companies within the Group. The Company does not intend to call on the loan within 12 months from the date of the approval of these financial statements.

8. Other receivables (continued)

Amounts due from Group undertakings are stated after the expected credit losses of £12.1 million (31 December 2019: £0.2 million). The credit loss allowance provided is as follows:

	31 December 2019 £000	31 December 2018 £000
Opening loss allowance at 1 January	**156**	-
Amounts restated through opening retained earnings	**-**	156
Increase in loss allowance recognised in income statement	**11,948**	-
Closing loss allowance at 31 December	**12,104**	156

The carrying value of the Company's financial assets as stated above is considered to be a reasonable approximation of their fair value.

9. Creditors: amounts falling due within one year

	31 December 2019 £000	31 December 2018 £000
Amounts due to Group undertakings	**(7,541)**	(5,294)
Total creditors falling due within one year	**(7,541)**	(5,294)

10. Creditors: amounts falling due within one year

Payment terms for balances due to Group undertakings are as mutually agreed between the companies within the Group.

The carrying value of the Company's financial liabilities is considered to be a reasonable approximation of their fair value.

10. Creditors: amounts falling due after more than one year

	31 December 2019 £000	31 December 2018 £000
Amounts due to Group undertakings	**(51,216)**	(47,822)
Total creditors falling due after more than one year	**(51,216)**	(47,822)

Amounts due to Group undertakings include intercompany loans with original repayment terms of 5 years and bear interest at a fixed rate of 12%. Until new contracts are finalised, these balances are repayable on demand. The counterparty has confirmed that it does not intend to call on the loan within 12 months from the date of the approval of these financial statements.

11. Called up share capital

	Par value / share	**2019 shares**	2018 shares	**2019 £'000**	2018 £'000
Authorised, allotted, capital, and fully paid					
1 January	£0.05	**87,144,893**	87,144,893	**4,357**	4,357
31 December	£0.05	**87,144,893**	87,144,893	**4,357**	4,357

The ordinary shares confer the right to vote at general meetings of the Company, to a repayment of capital in the event of liquidation or winding up and certain other rights as set out in the Company's articles of association.

12. Subsequent events

There have been no subsequent events since the balance sheet date.

13. Ultimate parent undertaking

The Company's immediate parent undertaking is Island Gas Limited.

The Company's ultimate parent undertaking is IGas Energy plc which is the only undertaking to consolidate these financial statements. The Company is included within these Company financial statements which are publicly available on the ultimate parent undertaking's website at www.igasplc.com.