

Company Registration No. 06684530 (England and Wales)

LEEP ELECTRICITY SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



LEEP ELECTRICITY SERVICES LIMITED

COMPANY INFORMATION

Directors	David Glover Victoria Manfredi Timothy Power Lee Wallace
Company number	06684530
Registered office	The Greenhouse MediaCityUk Salford United Kingdom M50 2EQ
Auditor	Deloitte LLP Statutory Auditor Manchester United Kingdom
Bankers	The Royal Bank of Scotland Plc

LEEP ELECTRICITY SERVICES LIMITED

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LEEP ELECTRICITY SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

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

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

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

Principal activities

The principal activity of the company continued to be that of provision of electricity services.

Going concern

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

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

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

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

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

As of the date of signing these financial statements the Company continues to provide electricity services at levels similar to those pre-pandemic and, looking forward, the directors expect this to remain to be the case. Although the directors cannot predict the extent and duration of the COVID-19 crisis, they and the shareholders have undertaken an assessment of the potential impact of COVID-19 for at least 12 months from the date of signing these financial statements. Whilst there is significant uncertainty due to the COVID-19 crisis, on the basis of this assessment, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

In making this statement, the directors have received confirmation from the relevant associated group undertakings that any liabilities due will not be called up in the next twelve months to the detriment of the company.

Financial risk management objectives and policies

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

Cash flow risk

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

Credit risk

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

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

LEEP ELECTRICITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Liquidity risk

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

Future developments

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

Directors' indemnities

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

Directors

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

David Glover
Victoria Manfredi
Timothy Power
Lee Wallace

Results

The results for the year are set out on Page 7.

The profit for the year is £923,234 (2019: £472,819), it has increased due a greater number of sales during the year. Reported results have also improved at profit after tax level as a result of the changing the accounting policy to hold tangible fixed assets at historical cost from fair value as discussed in note 18.

Auditor

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

LEEP ELECTRICITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Directors' responsibilities statement

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

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

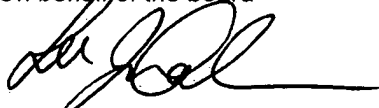
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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

On behalf of the board



Lee Wallace
Director

2 November 2020

LEEP ELECTRICITY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LEEP ELECTRICITY SERVICES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Leep Electricity Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in the respect of these matters.

LEEP ELECTRICITY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LEEP ELECTRICITY SERVICES LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Report on other legal requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

LEEP ELECTRICITY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LEEP ELECTRICITY SERVICES LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

2 November 2020

LEEP ELECTRICITY SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

		2020	2019
	Notes	£	as restated £
Turnover	3	3,998,062	3,315,464
Cost of sales		(3,132,122)	(2,535,171)
Gross profit		<u>865,940</u>	<u>780,293</u>
Administrative expenses		(89,673)	(101,983)
Operating profit	4	<u>776,267</u>	<u>678,310</u>
Interest payable and similar expenses	6	(95,023)	(102,114)
Profit before taxation		<u>681,244</u>	<u>576,196</u>
Tax on profit	7	241,990	(103,377)
Profit for the financial year		<u><u>923,234</u></u>	<u><u>472,819</u></u>

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

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

LEEP ELECTRICITY SERVICES LIMITED

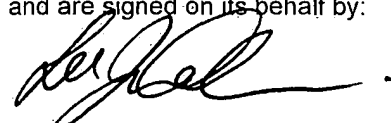
BALANCE SHEET

AS AT 31 MARCH 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		1,084,377		1,127,318
Current assets					
Debtors	9	3,160,086		2,499,004	
Cash at bank and in hand		240,800		385,793	
		<u>3,400,886</u>		<u>2,884,797</u>	
Creditors: amounts falling due within one year	10	<u>(996,524)</u>		<u>(959,298)</u>	
Net current assets			2,404,362		1,925,499
Total assets less current liabilities			<u>3,488,739</u>		<u>3,052,817</u>
Creditors: amounts falling due after more than one year	11		(814,178)		(921,620)
Provisions for liabilities	13		-		(379,870)
Net assets			<u>2,674,561</u>		<u>1,751,327</u>
Capital and reserves					
Called up share capital	15		1		1
Profit and loss account			<u>2,674,560</u>		<u>1,751,326</u>
Shareholders funds			<u>2,674,561</u>		<u>1,751,327</u>

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

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



Lee Wallace
Director

Company Registration No. 06684530

LEEP ELECTRICITY SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Revaluation reserve	Restated Profit and loss reserves	Total
	£	£	£	£
Balance at 1 April 2018	1	2,768,938	1,128,513	3,897,452
Prior period adjustment (see note 18)	-	(2,768,938)	149,994	(2,618,944)
Balance at 1 April 2018 restated	1	-	1,278,507	1,278,508
Year ended 31 March 2019:				
Profit and total comprehensive income for the year	-	-	472,819	472,819
Balance at 31 March 2019	1	-	1,751,326	1,751,327
Year ended 31 March 2020:				
Profit and total comprehensive income for the year	-	-	923,234	923,234
Balance at 31 March 2020	1	-	2,674,560	2,674,561

LEEP ELECTRICITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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

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

1.3 Turnover

Electricity supply income is accounted for on an accruals basis and revenue is recognised as the services are provided. Turnover excludes sales related taxes.

1.4 Tangible fixed assets

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

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

Plant and Machinery	2.5% straight line per annum
Operational Assets	3% straight line per annum

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

LEEP ELECTRICITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

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

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

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

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

1.6 Cash at bank and in hand

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

1.7 Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

LEEP ELECTRICITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.7 Financial instruments (continued)

Basic financial liabilities

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

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

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

1.8 Equity instruments

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

1.9 Taxation

Current tax

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

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

LEEP ELECTRICITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.9 Taxation (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

LEEP ELECTRICITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.11 Related party transactions

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

1.12 Prepaid development costs

Prepaid development costs relate to fees incurred in relation to specific projects that will complete next year.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the company's accounting policies

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

Key Sources of estimation uncertainty

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

3 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

	2020	2019
		Restated
Operating profit for the year is stated after charging:	£	£
Depreciation of owned tangible fixed assets	42,941	41,805

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

LEEP ELECTRICITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Employees

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

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

6 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts	143	150
Interest on finance leases and hire purchase contracts	94,880	101,964
	<u>95,023</u>	<u>102,114</u>

7 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	89,985	55,255
Adjustments in respect of prior periods	47,895	(1,755)
Total current tax	<u>137,880</u>	<u>53,500</u>
Deferred tax		
Origination and reversal of timing differences (see note 14)	<u>(379,870)</u>	<u>49,877</u>
Total tax (credit)/charge	<u>(241,990)</u>	<u>103,377</u>

LEEP ELECTRICITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Taxation

(Continued)

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

	2020 £	2019 £
Profit before taxation	681,244	576,196
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	129,436	109,477
Tax effect of expenses that are not deductible in determining taxable profit	3,895	1,523
Adjustments in respect of prior years	47,895	(1,755)
Difference in tax rate on current year deferred tax	-	(5,868)
Additions qualifying in later period	(14,039)	-
Deferred tax not provided	(409,177)	-
Taxation (credit)/charge for the year	(241,990)	103,377

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

8 Tangible fixed assets

	Restated Plant and Machinery £	Operational Assets £	Restated Total £
Cost			
At 1 April 2019 and 31 March 2020	1,084,748	242,609	1,327,357
Depreciation and impairment			
At 1 April 2019	188,647	11,392	200,039
Depreciation charged in the year	34,007	8,934	42,941
At 31 March 2020	222,654	20,326	242,980
Carrying amount			
At 31 March 2020	862,094	222,283	1,084,377
At 31 March 2019	896,101	231,217	1,127,318

Following a change in accounting policy from valuation to historic cost, this note has been restated (see note 18 for details).

LEEP ELECTRICITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

9 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	54,633	54,272
Amounts owed by related parties (see note 16)	-	11,712
Amounts owed by group undertakings	2,665,335	2,062,492
Prepaid Development Costs	1,743	24,467
Other debtors	-	4,178
Prepayments and accrued income	438,375	341,882
	<u>3,160,086</u>	<u>2,499,003</u>

Amounts due from group undertakings do not carry interest and are repayable on demand.

10 Creditors: amounts falling due within one year

		2020	2019
		£	£
Obligations under finance leases	12	110,853	97,220
Trade creditors		3,966	237,445
Amounts owed to group undertakings		137,880	218,929
Related party creditors (see note 16)		870	-
Other creditors		92,474	21,879
Accruals and deferred income		650,481	383,825
		<u>996,524</u>	<u>959,298</u>

Amounts due to group undertakings do not carry interest and are repayable on demand.

11 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Obligations under finance leases	12	<u>814,178</u>	<u>921,620</u>

LEEP ELECTRICITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	192,445	187,026
In the second and fifth years inclusive	719,560	734,938
After five years	391,376	517,047
Gross commitments	1,303,381	1,439,011
Less: future finance charges	(378,350)	(420,171)
Present value of minimum lease payments	925,031	1,018,840

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 7 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Present value of minimum lease payments:

	2020 £	2019 £
Within one year	110,853	97,219
In second to fifth years inclusive	476,677	363,001
After 5 years	337,501	558,620
Present value of lease obligations	925,031	1,018,840

13 Provisions for liabilities

	2020 £	2019 £
Deferred tax liabilities	-	379,870

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Fixed asset timing differences	-	379,870

LEEP ELECTRICITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

14 Deferred taxation		(Continued)
		2020
Movements in the year:		£
Liability at 1 April 2019		379,870
Credit to profit or loss		(379,870)
		<u> </u>
Liability at 31 March 2020		<u> </u>
		-
		<u> </u>
15 Called up share capital		
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary Share of £1 each	1	1
	<u> </u>	<u> </u>

LEEP ELECTRICITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

The related parties are all associates of Leep Electricity Services Limited and the sales made with the related parties was in the normal course of business. During the year the company made sales to the following related parties:

L175 Unit Trust £nil (2019: £1,349)
Peel Energy Ltd £nil (2019: £1,390)
Peel Investments (North) Ltd £11,114 (2019: £32,946)
Peel Investments Intermediate Ltd £3,512 (2019: £3,466)
Peel Land & Property Investments Ltd £78,119 (2019: £101,936)
Peel Land & Property Ports Ltd £1,600 (2019: £225)
Peel Property Investments Ltd £210,204 (2019: £183,790)
Port Salford Land Ltd £1,269 (2019: £1,309)
Princes Dock Development Company Ltd £19,400 (2019: £18,176)
The Mersey Docks & Harbour Company £3,013 (2019: £nil)
The Trafford Centre Ltd £nil (2019: £2,458)

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due from related parties		
Peel Investments (North) Ltd	-	11,712
	<u> </u>	<u> </u>
	2020	2019
	£	£
Amounts due to related parties		
The Mersey Docks & Harbour Co Ltd	870	-
	<u> </u>	<u> </u>

17 Parent company

The immediate parent company is Leep Utilities Electricity Limited.

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

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

18 Prior period adjustment

There was a change in accounting policy from valuation to historical cost for tangible fixed assets, therefore all revaluations in prior periods were removed and depreciation recalculated, resulting in the following restatements to the financial statements for the year ending 31 March 2019.

LEEP ELECTRICITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

18 Prior period adjustment

(Continued)

Changes to the balance sheet

	At 31 March 2019		
	As previously reported	Adjustment	As restated
	£	£	£
Fixed assets			
Tangible assets	6,367,116	(5,239,798)	1,127,318
Provisions for liabilities			
Deferred tax	(1,259,416)	879,546	(379,870)
Net assets	<u>6,111,579</u>	<u>(4,360,252)</u>	<u>1,751,327</u>
Capital and reserves			
Revaluation reserve	4,529,111	(4,529,111)	-
Profit and loss	1,582,467	168,859	1,751,326
Total equity	<u>6,111,579</u>	<u>(4,360,252)</u>	<u>1,751,327</u>

Changes to the profit and loss account

	Period ended 31 March 2019		
	As previously reported	Adjustment	As restated
	£	£	£
Administrative expenses	(189,618)	87,636	(101,983)
Profit after taxation	<u>385,183</u>	<u>87,636</u>	<u>472,819</u>

Changes to Other Comprehensive Income

Other comprehensive income was previously reported at £1,828,943 for the year ended 31 March 2019 which was the net of revaluation of tangible fixed assets and deferred taxation. The adjustments in the accounts restate other comprehensive income to £nil.