

Northern Gas Networks Pensions Trustee Limited

Annual Report and accounts
for the year ended 31 December 2011

Registered number: 5424249

Directors' report

For the year ended 31 December 2011

The directors present their Annual Report on the affairs of the company, together with the accounts and auditor's report, for the year ended 31 December 2011.

Principal activity

The principal activity of the company throughout the year was to operate as trustee for the Northern Gas Networks Pension Scheme.

Business review

The director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. Accordingly, an enhanced business review has not been prepared.

The company did not trade during the current year or prior period and consequently no profit and loss account has been prepared. The directors do not intend that the company will commence trading in the foreseeable future.

Going concern

The company does not trade and has net assets which the directors consider to be fully recoverable and on this basis the directors believe it is appropriate to prepare the accounts on a going concern basis.

Directors

The directors, who served throughout the year except as noted, were as follows:

R D Armstrong OBE

M G Ashworth

J D Binns

D Hawksworth

S Rennie

B Scarsella (resigned 4 January 2011)

D A Shepherdson

R White (resigned 29 February 2012)

D G Waite (appointed 25 February 2011)

Dividends

The directors do not recommend payment of a dividend (nine month period ended 31 December 2010 - £nil).

Directors' report (continued)

Auditor

Each of the directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The directors will propose to reappoint Deloitte LLP as auditor for the ensuing year.

1100 Century Way
Thorpe Park Business Park
Colton
Leeds
LS15 8TU

By order of the Board,

A handwritten signature in dark ink, consisting of a large, stylized initial 'R' followed by a series of connected loops and a final horizontal stroke.

R D Armstrong OBE

8 March 2012

Director

Directors' responsibilities

The directors are responsible for preparing the Annual Report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the accounts 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 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.

Independent auditor's report

To the Members of Northern Gas Networks Pensions Trustee Limited

We have audited the accounts of Northern Gas Networks Pensions Trustee Limited for the year ended 31 December 2011 which comprise the balance sheet, the statement of accounting policies and the related notes 1 to 4. 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 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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its results 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 Act 2006.

Independent auditor's report (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts 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 take advantage of the small companies exemption in preparing the directors report.



Christopher Powell FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Leeds, England

8 March 2012

Balance sheet

31 December 2011

	Notes	31 December 2011 £	31 December 2010 £
Current assets			
Debtors	2	<u>1</u>	<u>1</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called-up share capital	3	<u>1</u>	<u>1</u>
Shareholders' funds		<u>1</u>	<u>1</u>

The accompanying notes are an integral part of this balance sheet.

The accounts of Northern Gas Networks Pensions Trustee Limited, Registered number 5424249, were approved by the Board of Directors and authorised for issue on 8 March 2012 and signed on its behalf by:



R D Armstrong OBE

Director

8 March 2012

Statement of accounting policies

31 December 2011

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

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom ("UK") accounting standards.

The company is exempt from the requirement of FRS1 (revised) "Cash flow statements" to present a cash flow statement as it is a wholly owned subsidiary of Northern Gas Networks Holdings Limited, which prepares consolidated accounts which are publicly available.

The company did not trade during the current year or prior period and accordingly neither a profit nor a loss has been made, consequently no profit and loss account has been prepared.

Going concern

The Directors' report includes a note on page 1 stating that the directors consider the business to be a going concern at the time of the approval of the Annual Report and accounts.

Notes to the accounts

31 December 2011

1 Operating profit

Other than the directors, there have been no employees of the company during the year (nine month period ended 31 December 2010 – none). The directors' did not receive any emoluments for their services to the company during the year (nine month period ended 31 December 2010 - £nil).

The auditor's remuneration for the statutory audit of the company was borne by another group undertaking in the current year and prior period. The amount attributable but not recharged to Northern Gas Networks Pensions Trustee Limited was £1,000 (nine month period ended 31 December 2010 - £1,000). There were no non-audit services provided by the auditor in either the current year or the prior period.

2 Debtors

	31 December 2011 £	31 December 2010 £
Amounts owed by group undertakings	<u>1</u>	<u>1</u>

3 Called-up share capital

	31 December 2011 £	31 December 2010 £
<i>Allotted, called-up and fully-paid</i>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

Notes to the accounts (continued)

4 Ultimate controlling party

The directors regard Northern Gas Networks Holdings Limited, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party. Northern Gas Networks Limited is the immediate parent company.

Northern Gas Networks Holdings Limited is the parent company of the largest and smallest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts are available from 1100 Century Way, Thorpe Park Business Park, Colton, Leeds, LS15 8TU.

The Shareholders of Northern Gas Networks Holdings Limited are a consortium comprising of:

PG (April) Limited (47.1%)

Beta Central Profits Limited (41.3%)

SAS Trustee Corporation (11.6%)

As a subsidiary undertaking of Northern Gas Networks Holdings Limited, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Northern Gas Networks Holdings Limited.