Registered No. 05879104

ElectricInvest Acquisitions Limited

Annual Report and Accounts

31 March 2019

ElectricInvest Acquisitions Limited

GENERAL INFORMATION

Directors
Mohammed El Gazzar
Ronald Schweizer

Company secretary
Alwyn Whitford

Registered office
35 Great St. Helens
London
EC3A 6AP

Auditors
Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Registered number of incorporation
05879104

DIRECTORS' REPORT

The directors of ElectricInvest Acquisitions Limited (the Company), present their Annual Report and Accounts for the year ended 31 March 2019.

The parent undertaking of the smallest and largest group of which the Company is a member and for which group accounts are prepared is Energia Group Limited (EGL), (formerly known as Viridian Group Investments Limited). A copy of the group accounts of Energia Group Limited is available from the Energia Group website www.energiagroup.com under the 'Investor Relations' tab.

The Company has not prepared a Strategic Report in accordance with the exemption permitted by the small companies' regime within Part 15 of the Companies Act 2006.

Principal activity
The Company is a member of the Energia Group (formerly known as the Viridian Group) which includes EGL and its subsidiary undertakings (the Group / the Energia Group). The principal activity of the Company is that of holding loans with group undertakings as part of the Energia Group's centralised treasury management.

Business review
The results for the year ended 31 March 2019 show a profit after tax of £16.1m (2018 - £16.1m).

The results for the year and the financial position at the year end were in line with expectations and were considered satisfactory by the directors.

Future developments
The directors do not expect there to be any significant changes to the Company's activities in the foreseeable future.

Risk management and principal risks and uncertainties

Treasury risks
The Company's liquidity, funding, investment and financial risk, including risk from volatility in interest rates is managed by the Energia Group treasury function. The objective of Energia Group treasury is to manage risk at optimum cost. A continuous forecasting and monitoring process is in place to manage risk.

Capital management and liquidity risk
The Company is financed through a combination of equity and debt finance. The Company's equity is detailed in the Statement of Changes in Equity.

In relation to equity, the Company's policy is to finance equity dividends from retained earnings.

The Company's net receivable position at 31 March is outlined in the table below:

	Note	**2019 £m**	2018 £m
Amounts owed to group undertakings	10	**(932.3)**	(933.7)
Amounts owed by group undertakings	8	**1,345.3**	1,342.3
		413.0	408.6

The maturity profile of the Company's financial liabilities is detailed within note 10 to the accounts.

DIRECTORS' REPORT (continued)

Capital management and liquidity risk (continued)
The main sources of liquidity for the Company are loans from within the Energia Group and interest receivable on loans to group undertakings. The Company's liquidity risk in respect of loans from group undertakings is managed through the preparation of cash flow forecasts and discussions with Energia's treasury function regarding the level of intercompany funding required. Loans with group undertakings are adjusted on a daily basis to meet the Company's cash requirement.

Interest rate risk
The borrowings of the Company are denominated in sterling. Loan amounts owed to group undertakings falling due within one year carry a variable interest rate based on LIBOR.

Foreign currency risk
None of the Company's financial instruments are denominated in a foreign currency and therefore the Company has no exposure to foreign currency risk.

Credit risk
The Company's principal financial assets are outlined in the table below:

	Note	**2019 £m**	2018 £m
Other financial assets	8	**1,345.3**	1,342.3

The Company's credit risk in respect of other financial assets is primarily attributable to loans made to group undertakings. Whilst the directors do not consider that the Company is exposed to significant credit risk in respect of amounts owed by group undertakings, the Company has, in accordance with IFRS 9, recognised an allowance for expected credit losses (ECLs) of £13.4m in relation to amounts owed by group undertakings as outlined in note 8.

Going concern
The Company's business activities, together with principal risks and uncertainties likely to affect its future performance are described above.

The Company is financed by intercompany loans and interest on intercompany loans funded from financing facilities within the Energia Group. In accordance with the Energia Group treasury policy these intercompany loans are payable on demand.

The Company's forecasts and projections, taking into account possible changes in performance, show that the Company is reliant on adequate financial resources being made available by the Energia Group to enable the Company to continue for the period of at least 12 months from the date of signing the financial statements.

The Group's forecasts and projections, taking into account possible changes in performance, show that the Group will have adequate financial resources to enable it to continue for the period of at least 12 months from the date of signing the financial statements.

DIRECTORS' REPORT (continued)

Going concern (continued)
Accordingly and based upon their enquiries of the director of Energia Group Limited, which indicate that it is EGL's present intention to continue to provide financial support to the Company and to provide sufficient funds to the Company for these purposes, the directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Directors
The directors of the Company are as listed on page 1.

Charitable and political donations
There were no charitable donations in the year (2018 - £nil). There were no political donations during the year (2018 - £nil).

Disclosure of information to the auditors
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow directors and the Company's auditors, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors
In accordance with Section 487 of the Companies Act 2006 Ernst & Young LLP is deemed reappointed as external auditor of the Company.

By order of the Board

Alwyn Whitford
Company Secretary

Registered office:
35 Great St. Helens
London
EC3A 6AP

Registered number: 05879104

Date: 16 September 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare accounts for each 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) including Financial Reporting Standard 101 Reduced Disclosure Framework.

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 financial position of the Company as at the year end and of the profit and loss of the Company for the year and otherwise comply with the Companies Act 2006.

In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- 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 proper 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 AUDITORS' REPORT TO THE MEMBERS OF ELECTRICINVEST ACQUISITIONS LIMITED

Opinion

We have audited the accounts of ElectricInvest Acquisitions Limited for the year ended 31 March 2019 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework".

In our opinion the accounts:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 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 Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the directors have not disclosed in the accounts 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 accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELECTRICINVEST ACQUISITIONS LIMITED (continued)

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

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 not preparing the Strategic Report.

Respective responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELECTRICINVEST ACQUISITIONS LIMITED (continued)

Auditors' responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Ernst & Young LLP

Michael Kidd (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

18 September 2019

INCOME STATEMENT
for the year ended 31 March 2019

	Note	2019 £m	2018 £m
Interest receivable and similar income	5	**65.7**	61.8
Interest payable and similar cost	6	**(47.8)**	(44.8)
Net finance income		**17.9**	17.0
Profit before taxation		**17.9**	17.0
Tax charge	7	**(1.8)**	(0.9)
Profit for the year		**16.1**	16.1

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2019

The Company had no comprehensive income or loss other than the profit for the year of £16.1m (2018 - £16.1m).

BALANCE SHEET
as at 31 March 2019

	Note	2019 £m	2018 £m
Current assets			
Deferred tax assets	7	**9.6**	8.9
Financial assets	8	**1,345.3**	1,342.3
		1,354.9	1,351.2
Creditors: amounts falling due within one year			
Other creditors	9	**(2.2)**	-
Income tax payable	7	**(2.5)**	(2.3)
Financial liabilities	10	**(932.3)**	(933.7)
		(937.0)	(936.0)
Net current assets		**417.9**	415.2
Net assets		**417.9**	415.2
Capital and reserves			
Equity share capital	11	**499.0**	499.0
Retained losses		**(81.1)**	(83.8)
Total equity		**417.9**	415.2

The accounts were approved by the Board of directors and authorised for issue on 16 September 2019. They were signed on its behalf by:

Mohamed El Gazzar
Director

Date: 16 September 2019

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2019

	Note	Equity share capital £m	Retained losses £m	Total £m
At 1 April 2017		**499.0**	**(99.9)**	**399.1**
Profit for the year		-	16.1	16.1
At 31 March 2018		**499.0**	**(83.8)**	**415.2**
Effect of adoption of new accounting standard	8	-	(13.4)	(13.4)
At 1 April 2018 (restated)		**499.0**	**(97.2)**	**401.8**
Profit for the year		-	16.1	16.1
At 31 March 2019		**499.0**	**(81.1)**	**417.9**

1. General information

ElectricInvest Acquisitions Limited is a private company limited by shares incorporated and domiciled in Great Britain.

The accounts have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosures Framework' (FRS 101) and applied in accordance with the provisions of the Companies Act 2006.

The accounts are presented in Sterling (£) with all values rounded to the nearest £m except where otherwise indicated.

2. Accounting policies

Basis of preparation
The Company prepares its accounts in accordance with FRS 101 for all years presented. The results of ElectricInvest Acquisitions Limited are included in the consolidated financial statements of Energia Group Limited which are available on the Energia Group website www.energiagroup.com under the 'Investor Relations' tab.

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

- the requirements of IFRS 7 Financial Instruments: disclosures, because equivalent disclosures have been provided in the consolidated financial statements of the Group in which the entity is consolidated.
- the requirements of paragraph 97 of IFRS 13 Fair Value Measurement.
- the requirements of IAS 7 Statement of Cash Flows.
- the requirements of 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), 16, 111, 134, 135 and 136 of IAS 1 Presentation of Financial Statements.
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- 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.

2. Accounting policies (continued)

The principal accounting policies are set out below:

Applicability of going concern basis
The Company is financed by intercompany loans and interest on intercompany loans funded from financing facilities within the Energia Group. In accordance with the Energia Group treasury policy these intercompany loans are payable on demand.

The Company's forecasts and projections, taking into account possible changes in performance, show that the Company is reliant on adequate financial resources being made available by the Energia Group to enable the Company to continue for the period of at least 12 months from the date of signing the financial statements.

The Group's forecasts and projections, taking into account possible changes in performance, show that the Group will have adequate financial resources to enable it to continue for the period of at least 12 months from the date of signing the financial statements.

Accordingly and based upon their enquiries of the director of Energia Group Limited, which indicate that it is EGL's present intention to continue to provide financial support to the Company and to provide sufficient funds to the Company for these purposes, the directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

New and amended standards and interpretations
The Company applied IFRS 9 for the first time in this set of financial statements. The nature and effect of the changes as a result of adoption of this new standard is described below.

IFRS 9 Financial Instruments
IFRS 9 Financial Instruments which replaces IAS 39 Financial Instruments: Recognition and Measurement addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Company adopted IFRS 9 on 1 April 2018 using the modified retrospective approach and opted not to restate comparatives, with the main impact to the Company being as follows.

Impairment
The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach with the main impact for the Company being in relation to amounts owed by group undertakings. There has been no significant increase in the credit risk of amounts owed by group undertakings since initial recognition and therefore the Company has, in accordance with IFRS 9, calculated 12 month ECLs for these financial assets. This required the Company to estimate the probability of default of amounts owed by group undertakings within 12 months after the reporting date and to multiply this by the total expected loss that would result from that default. This resulted in the Company recognising an ECL on amounts owed by group undertakings of £13.4m at the transition date 1 April 2018 as outlined in note 8.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue with customers. IFRS 15 is effective from 1 April 2018, however the Company does not have revenue within the scope of the standard.

2. Accounting policies (continued)

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through Other Comprehensive Income ('OCI'), and fair value through the profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'Solely Payments of Principal and Interest' ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for management of financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments);
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate ('EIR') method and are subject to impairment under the expected credit loss model. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

This category generally applies to trade and other receivables and amounts due from related parties.

2. Accounting policies (continued)

Financial instruments (continued)

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset has expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In this case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the Company has retained.

Continuing involvement that the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum of consideration that the Company could be required to repay.

Impairment of financial assets
The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposure for which there has not been a significant increase in the credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include other payables and amounts due to related parties.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the income statement. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the income statement.

This category generally applies to interest bearing loans and borrowings. This category also applies to trade and other payables and amounts due to related parties which are not interest bearing and stated at their nominal amount.

2. Accounting policies (continued)

Financial instruments (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Tax
The tax charge represents the sum of tax currently payable and deferred tax. Tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes both items of income or expense that are taxable or deductible in other years as well as items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax payable or recoverable on differences between the carrying amount of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Accounting policies (continued)

Interest receivable and similar income
Interest income is accrued on a time apportionment basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Key estimates and judgements
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the amounts reported for operating costs during the year. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Impairment testing of financial assets
The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate and requires an estimation of the probability of default of financial assets.

Taxation
Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

3. Auditors' remuneration

	2019	2018
	£'000	£'000
Fees payable to the Company's auditor for the audit of the Company's accounts	**4**	4

4. Staff costs and directors' remuneration

The Company did not employ any persons during the current and previous year, except for the directors.

Directors
No remuneration was paid to the directors of the Company during the year in respect of qualifying services (2018 - £nil).

5. Interest receivable and similar income

	2019	2018
	£m	£m
Amounts owed by group undertakings	**65.7**	61.8

6. Interest payable and similar cost

	2019	2018
	£m	£m
Allowance for expected credit losses	**(0.2)**	-
Amounts owed to group undertakings	**(47.6)**	(44.8)
	(47.8)	(44.8)

7. Tax charge

(i) Analysis of charge in the year

	2019	2018
	£m	£m
Income Statement		
Current tax		
UK corporation tax at 19% (2018 - 19%)	**(2.5)**	(2.3)
Total current tax charge	**(2.5)**	(2.3)
Deferred tax		
Origination and reversal of temporary differences in current year	**0.7**	1.4
Total deferred tax credit	**0.7**	1.4
Tax charge reported in the Income Statement	**(1.8)**	(0.9)

7. Tax charge (continued)

(ii) Reconciliation of total tax charge
The tax charge in the Income Statement for the year varies from the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are reconciled below:

	2019 £m	2018 £m
Accounting profit before tax	**17.9**	17.0
Accounting profit multiplied by the UK standard rate of corporation tax of 19% (2018 - 19%)	**(3.4)**	(3.2)
Net losses not recognised utilised	**2.0**	2.5
Effect of change in tax rate	**(0.2)**	(0.2)
Tax under provided in prior years	**(0.2)**	-
Tax charge for the year	**(1.8)**	(0.9)

(iii) Deferred tax

The deferred tax included in the Balance Sheet is as follows:	2019 £m	2018 £m
Deferred tax assets		
Losses	**9.6**	8.9
Deferred tax assets	**9.6**	8.9

The deferred tax credit included in the Income Statement is as follows:	2019 £m	2018 £m
Losses	**0.7**	1.4
Deferred tax credit	**0.7**	1.4

7. Tax charge (continued)

A deferred tax asset of £18.9m (2018 - £20.6m) has not been recognised in relation to the following temporary differences (on which no tax relief has yet been claimed) due to uncertainty regarding the quantum of future taxable profits in the Company.

	2019	2018
	£m	£m
Tax losses carried forward	**111.0**	121.4
Unrecognised temporary differences	**111.0**	121.4

Deferred tax has been calculated at 17% as at 31 March 2019 reflecting HMRC enactment, in September 2016, of a reduction in the corporation tax rate effective from 1 April 2020.

8. Financial assets

	2019	2018
	£m	£m
Current		
Amounts owed by group undertakings	**1,358.9**	1,342.3
Allowance for expected credit loss	**(13.6)**	-
Total current and non-current financial assets	**1,345.3**	1,342.3

The loans with group undertakings are repayable on demand. Interest rates are based on LIBOR.

As a result of applying IFRS 9, the Company recognised an allowance for ECLs in relation to amounts owed by group undertakings of £13.4m at the transition date of 1 April 2018 and £13.6m as at 31 March 2019. The allowance for ECLs is a 12 month ECL provision calculated by estimating the probability of default of amounts owed by group undertakings within 12 months of the reporting date and multiplying this by the total expected credit loss that would result from that default.

9. Other creditors

	2019	2018
	£m	£m
Amounts falling due within one year		
Amounts owed to parent undertakings	**2.2**	-

10. Financial liabilities

	2019 **£m**	2018 £m
Current		
Amounts owed to immediate parent undertakings	**932.3**	933.7

The loans with group undertakings are repayable on demand. Interest rates are based on LIBOR.

11. Authorised and issued share capital

Equity share capital presented as equity

	2019 **Number**	2018 Number	**2019** **£m**	2018 £m
Authorised				
499,000,001 Ordinary shares of £1.00 each	**499,000,001**	499,000,001	**499.0**	499.0

The balance classified as share capital presented as equity in the Balance Sheet and the Statement of Changes in Equity comprises the nominal value of the Company's share capital, consisting of £1 ordinary shares (2018 - £1 ordinary shares).

Retained losses
The balance classified as retained losses in the Balance Sheet and the Statement of Changes in Equity includes all current and prior period retained profits and losses.

12. Related party disclosures

Other related parties
The immediate parent undertaking of the Company is ElectricInvest Holding Company Limited, a company incorporated in Great Britain. The parent of the smallest and largest groups of which the Company is a member and for which group accounts are prepared is Energia Group Limited, a company incorporated in the Cayman Islands. A copy of the group accounts of Energia Group Limited is available on the Energia Group website www.energiagroup.com under the 'Investor Relations' tab.

The ultimate parent undertaking and controlling party of the Company is Energia Group TopCo Limited (formerly known as Viridian TopCo Limited), a company incorporated in the Cayman Islands.