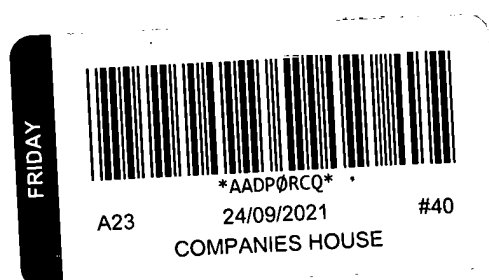


**ENERGY ASSETS NETWORKS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**  
**REGISTERED NO: 10068882**



# Energy Assets Networks Limited

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# Energy Assets Networks Limited

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## **Strategic report For the year ended 31 March 2021**

The Directors present the strategic report of Energy Assets Networks Limited for the year ended 31 March 2021.

On 14 April 2020 Euston Luxco S.a.r.l. and its subsidiaries, including Energy Assets Networks Limited, were acquired by Energy Assets Group Holdings Limited. Energy Assets Group Holdings Limited is indirectly owned by Asterion Industrial Infra Fund I, FCR, EDF Invest and Swiss Life Funds (LUX) Global Infrastructure Opportunities Umbrella, SCS, SIF through a series of intermediate holding companies.

## **Principal activities**

The Company's principal activity is the provision of network services to energy suppliers and other end-users. This is not anticipated to change in the near future.

## **Business review**

A full review of the Energy Assets Group business model, strategy and performance has been included in the Energy Assets Financing Limited consolidated financial statements for the year ended 31 March 2021.

In relation to the Company, the key performance indicator used by management is operating result which in the current year is a loss of £0.4m (2020: £0.9m profit). This indicator is regularly shared with representatives of the ultimate Parent Company. For the year ended 31 March 2021, revenue remained at £3.4m as in the prior year.

There are also a number of key performance indicators considered by management at a Group level. For details please refer to the Annual Report and Accounts of Energy Assets Financing Limited for the year ended 31 March 2021.

## **Financial risk management**

The Company is exposed to a variety of financial risks that include liquidity risk, credit risk and price risk, however, conservative treasury policies are operated. For full details please refer to the Annual Report and Accounts of Energy Assets Financing Limited for the year ended 31 March 2021.

## **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties including competition from other suppliers and changes in government policy. For full details please refer to the Annual Report and Accounts of Energy Assets Financing Limited for the year ended 31 March 2021.

## **Future developments**

The Directors continue their active discussions with customers regarding potential new business.

The strategic report was approved by the board and signed on its behalf by:



Colin Lynch  
Chief Executive Officer  
15 July 2021

# Energy Assets Networks Limited

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## **Directors' report For the year ended 31 March 2021**

The Directors present their report and the audited financial statements of Energy Assets Networks Limited for the year ended 31 March 2021.

## **Results, dividends and future developments**

The results for the year to 31 March 2021 are set out in the statement of comprehensive income on page 9 and have been discussed alongside the future developments of the Company in the Strategic Report on page 2. The directors do not propose a dividend (2020: nil).

## **Directors**

The directors who held office during the year and up to the date of signing of the financial statements are:

C Lynch  
J Whitaker (appointed 7 September 2020)  
J McMorrow (resigned 3 September 2020)  
D Sing (resigned 4 September 2020)

## **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

## **COVID 19**

Over the financial year, the ongoing spread and development of the COVID-19 pandemic has presented a potentially significant risk to the business with the Company's primary concern being the welfare of its people, customers and the end consumer.

The Company has, however, successfully implemented its Business Continuity Plan and continues to actively monitor this ever changing situation. The Executive Committee meets frequently and, where appropriate, agrees mitigating actions to ensure business continuity and in particular the delivery of continued employee and customer obligations.

As a consequence of the events of the past few months, there has been an inevitable impact on the financial results in the year ended 31 March 2021. The Company does, however, have a strong asset portfolio which has allowed for recurring revenue streams and performance in this area to be maintained with growth plans in place to grow the business in the coming months.

Management will continue to monitor developments and are prepared to respond further as the situation continues to develop. For full details please refer to the Annual Report and Accounts of Energy Assets Financing Limited for the year ended 31 March 2021.

# Energy Assets Networks Limited

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## **Directors' report**

**For the year ended 31 March 2021 (continued)**

### **Going concern**

At the time of approval of the financial statements, the Company is operating under a phased lifting of the lockdown restrictions in place across the UK in response to the COVID-19 pandemic. Ensuring the safety of its people, customers and the end consumer and compliance with Government advice remains the main priority of the Company in these unprecedented times and, although it is difficult to predict the extent to which the Company will be affected by this pandemic, the Directors have included analysis of the current situation in its consideration of going concern.

A period of twelve months from the date of approval of the financial statements has been considered and the likely performance of the business and possible alternative outcomes has been assessed alongside the financing facilities available to the Company, compliance with financial covenants and the possible actions able to be taken should new facilities not be available in the future.

Having taken all of these factors into consideration, the Directors confirm that forecasts and projections indicate that the Company has adequate resources for the foreseeable future and at least for the period of 12 months from the date of this report. The ultimate parent undertaking has also provided formal confirmation of their continued support for the 12 month period following issue of the financial statements. Accordingly the financial statements have been prepared on the going concern basis.

### **Employees**

Energy Assets is an equal opportunities employer and our employees and applicants are treated fairly and equally regardless of their age, colour, creed, disability, full or part-time status, gender, marital status, nationality or ethnic origin, race, religion or sexual orientation.

Applications from people with disabilities are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of any members of Energy Assets staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is Company policy that the training, career development and promotion of people with disabilities should, as far as possible, be identical to that of other employees.

The Company places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them and the performance of the business. This is achieved through regular communications, briefings and formal and informal meetings.

### **Subsequent events**

There have been no events which have taken place after the balance sheet date but before the date of signing which are considered to give significant and further information relevant to these financial statements.

# Energy Assets Networks Limited

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## **Directors' report**

**For the year ended 31 March 2021 (continued)**

### **Statement of directors' responsibilities**

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

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

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

### **Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Independent auditors**

Pursuant to a shareholders' resolution, the Company is not obliged to re-appoint its auditors annually and PricewaterhouseCoopers LLP will therefore continue in office. As at the date of these financial statements the Directors are not aware of any resolution to terminate the appointment of the auditors.

The directors' report was approved by the board and signed on its behalf by:



Colin Lynch  
Chief Executive Officer  
15 July 2021

# Energy Assets Networks Limited

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## **Independent auditors' report to the members of Energy Assets Networks Limited**

### **Report on the audit of the financial statements**

#### ***Opinion***

In our opinion, Energy Assets Networks Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2021; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### ***Conclusion relating to going concern***

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### ***Reporting on other information***

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

# Energy Assets Networks Limited

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## **Independent auditors' report to the members of Energy Assets Networks Limited (continued)**

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

### ***Responsibilities for the financial statements and the audit***

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### *Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.



## Energy Assets Networks Limited

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### **Independent auditors' report to the members of Energy Assets Networks Limited (continued)**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, Health and Safety, and a range of industry specific compliance requirements pertaining to the Company's licence to operate, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and the risk of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Understanding of management's controls designed to prevent and deter irregularities;
- Challenging management on assumptions and judgements made in their significant accounting estimates; and
- Identifying and testing journal entries, in particular any unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# Energy Assets Networks Limited

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## **Independent auditors' report to the members of Energy Assets Networks Limited (continued)**

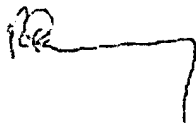
### **Other required reporting**

#### ***Companies Act 2006 exception reporting***

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Richard Spilsbury (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
15 July 2021

# Energy Assets Networks Limited

## Statement of comprehensive income For the year ended 31 March 2021

	Note	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Revenue	4	3,375	3,411
Cost of sales		(2,829)	(1,996)
<b>Gross profit</b>		<b>546</b>	<b>1,415</b>
Administrative expenses		(945)	(553)
<b>(Loss)/profit before taxation</b>	5	<b>(399)</b>	<b>862</b>
Tax on (loss)/profit	7	53	21
<b>(Loss)/profit for the financial year</b>		<b>(346)</b>	<b>883</b>

All operations are continuing operations.

The notes on pages 13 to 22 form an integral part of these financial statements.

# Energy Assets Networks Limited

## Balance sheet As at 31 March 2021

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Intangible assets	8	109	225
Tangible assets	9	<u>16,892</u>	<u>13,331</u>
		<b>17,001</b>	<b>13,556</b>
<b>Current assets</b>			
Deferred tax asset	10	74	21
Trade and other receivables	11	1,094	789
Cash and cash equivalents		<u>613</u>	<u>501</u>
		<b>1,781</b>	<b>1,311</b>
<b>Creditors – amounts falling due within one year</b>	12	<b>(19,334)</b>	<b>(15,073)</b>
<b>Net current liabilities</b>		<u><b>(17,553)</b></u>	<u><b>(13,762)</b></u>
<b>Net liabilities</b>		<u><b>(552)</b></u>	<u><b>(206)</b></u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Accumulated losses		<u><b>(552)</b></u>	<u><b>(206)</b></u>
<b>Total shareholders' deficit</b>		<u><b>(552)</b></u>	<u><b>(206)</b></u>

The notes on pages 13 to 22 form an integral part of these financial statements.

The financial statements on pages 10 to 22 were approved by the Board of Directors on 15 July 2021 and were signed on its behalf by:



Colin Lynch  
Chief Executive Officer

Energy Assets Networks Limited  
Registered number: 10068882

# Energy Assets Networks Limited

## Statement of changes in equity For the year ended 31 March 2021

	Share capital £'000	Accumulated losses £'000	TOTAL £'000
At 1 April 2019	-	(1,088)	(1,088)
Profit for the year	-	882	882
<b>Total comprehensive income for the year</b>	-	<b>882</b>	<b>882</b>
<b>At 31 March 2020</b>	<b>-</b>	<b>(206)</b>	<b>(206)</b>
At 1 April 2020	-	(206)	(206)
Loss for the year	-	(346)	(346)
<b>Total comprehensive expense for the year</b>	-	<b>(346)</b>	<b>(346)</b>
<b>At 31 March 2021</b>	<b>-</b>	<b>(552)</b>	<b>(552)</b>

The notes on pages 13 to 22 form an integral part of these financial statements.

# Energy Assets Networks Limited

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## Notes to the financial statements For the year ended 31 March 2021

### 1) General information

Energy Assets Networks Limited provides network services to energy suppliers and other end-users.

Energy Assets Networks Limited is a private limited company incorporated on 17 March 2016 in England and Wales, where it is domiciled. Copies of these financial statements are available from the registered office at Ship Canal House, 98 King Street, Manchester, M2 4WU.

### 2) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the year unless otherwise stated.

#### Basis of preparation

The financial statements of Energy Assets Networks Limited have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

The financial statements have been prepared under the historical cost convention, as modified by financial assets and liabilities (including derivative instruments) at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IAS 1 *Presentation of financial statements* paragraph 10(d) (statement of cash flows);
- IAS 1 *Presentation of financial statements* paragraph 16 (statement of compliance with IFRS);
- IAS 1 *Presentation of financial statements* paragraph 38A (requirement for a minimum of two primary statements, including cash flow statements);
- IAS 1 *Presentation of financial statements* paragraph 38B-D (additional comparative information);
- IAS 1 *Presentation of financial statements* paragraph 111 (cash flow statement information);
- IAS 1 *Presentation of financial statements* paragraph 134-136 (capital management disclosures);
- IAS 7 *Statement of cash flows*;
- IAS 8 *Accounting policies, changes in accounting estimates and errors* paragraph 30 and 31 (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- IAS 24 *Related party disclosures* with regard to the requirements to disclose related party transactions entered into between two or more members of a Group and paragraph 17 (key management compensation); and
- IFRS 7 *Financial instruments: Disclosures*.

# Energy Assets Networks Limited

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## **Notes to the financial statements For the year ended 31 March 2021 (continued)**

### **2) Summary of significant accounting policies (continued)**

#### **Going concern**

At the time of approval of the financial statements, the Company is operating under a phased lifting of the lockdown restrictions in place across the UK in response to the COVID-19 pandemic. Ensuring the safety of its people, customers and the end consumer and compliance with Government advice remains the main priority of the Company in these unprecedented times and, although it is difficult to predict the extent to which the Company will be affected by this pandemic, the Directors have included analysis of the current situation in its consideration of going concern.

A period of twelve months from the date of approval of the financial statements has been considered and the likely performance of the business and possible alternative outcomes has been assessed alongside the financing facilities available to the Company, compliance with financial covenants and the possible actions able to be taken should new facilities not be available in the future.

Having taken all of these factors into consideration, the Directors confirm that forecasts and projections indicate that the Company has adequate resources for the foreseeable future and at least for the period of 12 months from the date of this report. The ultimate parent undertaking has also provided formal confirmation of their continued support for the 12 month period following issue of the financial statements. Accordingly the financial statements have been prepared on the going concern basis.

#### **New standards, amendments and IFRIC interpretations**

No new accounting standards, amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 March 2021 have had a material impact on the Company.

#### **Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and/or accumulated impairment losses where applicable.

Typically within the ordinary course of business the Company settles the acquisition of network assets via the outflow of economic resources, upon agreement of a commercial valuation with the other party. However, there may be instances where the Company has adopted a recurring revenue asset and a commercial valuation cannot be agreed. As such, the recurring revenue asset is recognised within property, plant and equipment where it can be demonstrated that:

- It is probable that future economic benefits associated with the item will flow to the Company; and
- The cost of the item can be measured reliably.

In these instances, the asset is measured at fair value with the corresponding credit in the income statement. This fair value is determined by preparing a discounted cash flow calculation which considers a number of variables including:

- Technical specification of the asset;
- The projected cash flow generated by the asset;
- Return on investment hurdles; and
- Market competition.

# Energy Assets Networks Limited

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## Notes to the financial statements For the year ended 31 March 2021 (continued)

### 2) Summary of significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to allocate cost to residual values over the estimated useful life of the asset. At 31 March 2020 useful lives of each asset were determined as follows:

Category	Useful life
Network Assets	over 40 years
Fixtures, fittings and equipment	over 3 years

At that point, the Directors considered that the time periods above were relatively standard and an appropriate estimate of the useful economic life of the assets. However, the residual values, useful lives and methods of depreciation for all assets are reviewed at each financial year end and adjusted if appropriate, taking into account changes to technology, and during the financial year it was determined that updates were required in relation to network assets as follows:

Category	Previous useful life	Amended useful life
Network Assets	over 40 years	over 40 to 80 years

This is deemed to be a change in accounting estimate and has therefore been implemented prospectively. As a result of the change in useful life of these assets, the current year depreciation charge has decreased by £0.1m.

Network assets are capitalised as costs are incurred but due to the longer term nature of these projects are not depreciated immediately. Management have undertaken a review of typical projects and have therefore determined that it is reasonable to commence depreciation on the first day of the financial period following capitalisation.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

Repairs and maintenance costs are recognised in the income statement as incurred.

### Intangible assets

Research and development expenditure on internally developed software products is capitalised at cost when the following criteria are met:

- It is technically feasible to complete the product so that it will be available for use;
- Management intends to complete the product and use or sell it;
- There is an ability to use or sell the product;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- The expenditure attributable to the product during its development can be reliably measured.

If development expenditure does not meet the above criteria it will be recognised as an expense with no subsequent capitalisation of previously expensed costs permitted in future years.



# Energy Assets Networks Limited

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## **Notes to the financial statements For the year ended 31 March 2021 (continued)**

### **2) Summary of significant accounting policies (continued)**

Capitalised software development costs include the employment costs of those involved in development and an appropriate portion of relevant overheads and are amortised over their useful lives.

Useful lives of all intangible assets are examined on an annual basis and adjustments made where applicable.

#### **Impairment of non-financial assets**

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets that do not individually generate cash flows are assessed as part of the cash generating unit to which they belong. A cash generating unit is a group of assets at the lowest level for which there are separately identifiable cash flows that are largely independent of the cash flows from other assets or groups of assets.

Where impairment is recorded for property, plant and equipment and intangible assets there is the possibility of reversal if conditions giving rise to the impairment change and this is assessed at each financial year end.

#### **Trade receivables**

Trade receivables are amounts due from customers for services performed in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate, where the effect is material. Trade receivables are shown net of any provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

#### **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

#### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate where the effect is material.

# Energy Assets Networks Limited

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## **Notes to the financial statements For the year ended 31 March 2021 (continued)**

### **2) Summary of significant accounting policies (continued)**

#### **Current and deferred income tax**

The tax expense for the year comprises current and deferred tax. Tax is charged or credited directly to other comprehensive income or equity if it relates to items that are credited or charged to equity. Otherwise tax is recognised in the income statement.

The current income tax charge is measured based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Current tax assets or liabilities on the balance sheet are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except for deferred tax liabilities arising from the initial recognition of goodwill.

Deferred income tax is measured, on an undiscounted basis, using tax rates and laws that are enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented net only if there is a legally enforceable right to set off current tax assets against current tax liabilities and if the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and VAT.

Revenue is recognised when performance obligations have been satisfied being when the Company fulfils its contractual obligations to customers by supplying services or when it has the right to receive the income. Any payment received in advance of supplying the service is deferred until the service has been provided. There are no significant financing components included within any of the Company's revenue streams.

# Energy Assets Networks Limited

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## **Notes to the financial statements** **For the year ended 31 March 2021 (continued)**

### **2) Summary of significant accounting policies (continued)**

#### **Employee benefits**

The Company contributes to a stakeholder pension scheme for eligible employees on a defined contribution basis. This is managed separately on the Company's behalf and the cost is charged to the income statement as the right to the contributions accrues. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay employee benefits as they arise. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company recognises a liability and an expense for bonuses and profit sharing accruing to employees in relation to the financial year then ended. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### **3) Critical accounting estimates and judgements**

In the process of applying the Company's accounting policies, management has used its judgement and made estimates and assumptions in determining the amounts recognised in the financial statements. These estimates and assumptions can affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

#### *Impairment of non-current assets*

Annual assessment of the carrying value of non-current assets and the potential for impairment of these amounts is required. This exercise was undertaken at the year end with a review of the business plans of the company undertaken. Subsequently it was deemed that no impairment to the carrying value of these amounts is required.

### **4) Revenue**

The total revenue for the year has been derived from the Company's principal activities and all sales are undertaken in the UK. The Company has not recognised any assets or liabilities related to contracts with customers.

# Energy Assets Networks Limited

## Notes to the financial statements For the year ended 31 March 2021 (continued)

### 5) (Loss)/profit before taxation

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
<b>(Loss)/profit before taxation is stated after charging:</b>		
Wages and salaries	774	595
Social security costs	78	62
Other pension costs	33	27
<b>Staff costs</b>	<b>885</b>	<b>684</b>
Depreciation	224	67
Amortisation	183	161

Employee costs include £0.5m (2020: £0.4m) of costs that are capitalised within the cost of network assets.

The Directors do not receive any remuneration for the services they provide to the Company.

Auditors' remuneration is borne by the parent company, Energy Assets Group Holdings Limited. The audit fee attributed to this Company for the current year was £5,000 (2020: £4,000).

### 6) Employee information

The average monthly number of employees during the year was:

By activity:

	Year ended 31 March 2021 Number	Year ended 31 March 2020 Number
Administration	19	13

### 7) Tax on (loss)/profit

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
<b>Deferred tax</b>		
Origination and reversal of timing differences	53	21
<b>Tax credit on (loss)/profit</b>	<b>53</b>	<b>21</b>

# Energy Assets Networks Limited

## Notes to the financial statements For the year ended 31 March 2021 (continued)

### 7) Tax on (loss)/profit (continued)

The tax on the Company's (loss)/profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the results of the entity as follows:

	<b>Year ended 31 March 2021 £'000</b>	<b>Year ended 31 March 2020 £'000</b>
(Loss)/profit before taxation	<b>(399)</b>	862
Tax calculated at domestic tax rate applicable to (loss)/profit (19%)	<b>76</b>	(164)
Effects of:		
Expenses not deductible	<b>(6)</b>	(2)
Group relief	<b>(17)</b>	187
<b>Total tax credit for the year</b>	<b>53</b>	21

### Factors affecting current and future tax charges/credits

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax credit for the year by £0.01m and to increase the deferred tax asset at 31 March 2021 by £0.02m.

### 8) Intangible assets

	<b>Product design £'000</b>
<b>Cost</b>	
At 1 April 2020	532
Additions	67
<b>At 31 March 2021</b>	<b>599</b>
<b>Accumulated amortisation</b>	
At 1 April 2020	307
Charge for the year	183
<b>At 31 March 2021</b>	<b>490</b>
<b>Net book value</b>	
<b>At 31 March 2021</b>	<b>109</b>
At 31 March 2020	225

# Energy Assets Networks Limited

## Notes to the financial statements For the year ended 31 March 2021 (continued)

### 9) Tangible assets

	Network assets £'000	Office equipment £'000	TOTAL £'000
<b>Cost</b>			
At 1 April 2020	13,397	5	13,402
Additions	3,785	-	3,785
<b>At 31 March 2021</b>	<b>17,182</b>	<b>5</b>	<b>17,187</b>
<b>Accumulated depreciation</b>			
At 1 April 2020	66	5	71
Charge for the year	224	-	224
<b>At 31 March 2021</b>	<b>290</b>	<b>5</b>	<b>295</b>
<b>Net book value</b>			
<b>At 31 March 2021</b>	<b>16,892</b>	<b>-</b>	<b>16,892</b>
At 31 March 2020	13,331	-	13,331

### 10) Deferred tax asset

The analysis of deferred tax assets is as follows:

	2021 £'000	2020 £'000
<b>Deferred tax assets:</b>		
Deferred tax asset to be recovered after more than 12 months	74	21
<b>Net deferred tax assets</b>	<b>74</b>	<b>21</b>

The movement in deferred income tax assets during the year is as follows:

	Accelerated capital allowances £'000	Other timing differences £'000	TOTAL £'000
At 1 April 2020	14	7	21
Credited to the income statement	38	15	53
<b>At 31 March 2021</b>	<b>52</b>	<b>22</b>	<b>74</b>

Deferred tax assets have not been discounted.

### 11) Trade and other receivables

	2021 £'000	2020 £'000
Trade receivable	559	109
Amounts owed by Group undertakings	195	71
Prepayments and accrued income	137	144
Other debtors	203	438
Taxation and social security	-	27
	<b>1,094</b>	<b>789</b>

Trade receivables are stated after provisions for impairment of £0.1m (2020: £0.04m).

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# Energy Assets Networks Limited

## Notes to the financial statements For the year ended 31 March 2021 (continued)

### 12) Creditors – amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	414	331
Accruals	456	286
Other Creditors	-	2
Taxation and social security	14	-
Amounts owed to group undertakings	18,450	14,454
	<b>19,334</b>	<b>15,073</b>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

### 13) Called up share capital

	2021 £'000	2020 £'000
<b>Allotted and fully paid</b>		
20 (2020: 20) ordinary shares of £1 each	-	-

All shares rank pari passu in all respects.

### 14) Ultimate parent undertaking

The immediate parent undertaking of Energy Assets Networks Limited is Energy Assets Limited whose ultimate parent undertaking at 31 March 2020 was Euston Luxco S.a.r.l., a company registered in Luxembourg at 19, rue de Bitbourg, L-1273, Luxembourg.

On 14 April 2020 Euston Luxco S.a.r.l. and its subsidiaries, including Energy Assets Networks Limited, were acquired by Energy Assets Group Holdings Limited. As of this date, the Company's ultimate parent and controlling party is Energy Assets Group Holdings Limited, a company registered in England and Wales.

Energy Assets Financing Limited is the parent company of the smallest group to consolidate these financial statements and Energy Assets Group Holdings Limited is the ultimate parent undertaking of the largest group to consolidate these financial statements. Copies of Energy Assets Group Holdings Limited consolidated financial statements can be obtained from the registered office at Ship Canal House, 98 King Street, Manchester, M2 4WU.

Energy Assets Group Holdings Limited is indirectly owned by Asterion Industrial Infra Fund I, FCR, EDF Invest and Swiss Life Funds through a series of intermediate holding companies.