Registered No. NI 035800

Energia Customer Solutions NI Limited

Annual Report and Accounts

31 March 2021

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GENERAL INFORMATION

Directors
Louise Patterson
John Newman
Derek Russell

Company Secretary
Alwyn Whitford

Registered office
Greenwood House
64 Newforge Lane
Belfast
Northern Ireland
BT9 5NF

Auditor
Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
Northern Ireland
BT2 7DT

Banker
Bank of Ireland
4-8 High Street
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Solicitor
Arthur Cox
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Registered number of incorporation
NI 035800

STRATEGIC REPORT

The directors of Energia Customer Solutions NI Limited (the Company), present their Strategic Report for the year ended 31 March 2021.

Principal activity
The Company is a member of the Energia Group which includes Energia Group Limited (EGL) and its subsidiary undertakings (the Group / the Energia Group). The Company's principal activity is that of a service company on behalf of other Energia Group companies.

Covid-19
The Company's business and dedicated team have proved to be resilient in meeting the challenges of operating during the COVID-19 pandemic. The Company's priority continues to be, the health & safety of its staff and to ensure it continues to provide vital services to fellow group undertakings.

Business review
The Income Statement for the year ended 31 March 2021 and the Balance Sheet at that date are set out on pages 12 and 14 respectively. The results for the year ended 31 March 2021 show a loss after tax of £110k (2020 - £6,670k profit).

Dividends were paid during the year ended 31 March 2021 of £60.0m (2020 - nil) to the Company's parent undertaking Energia NI Holdco Limited.

Risk management and principal risks and uncertainties

The principal risks and uncertainties that affect the Company are described below but this is not intended to be an exhaustive analysis of all the risks that may arise in the ordinary course of business or otherwise.

Health and safety risk
The Company is committed to ensuring a safe working environment. The risks arising from inadequate management of health and safety matters are the exposure of employees, contractors and third parties to the risk of injury, potential liability and/or loss of reputation. There is a strong focus on the audit of work sites and the reporting and reviewing of near miss incidents. These risks are closely managed by the Company through engagement with the Group's Health and Safety Managers, the use of the services of an external health and safety advisor, the promotion of a strong health and safety culture, training for all staff and well defined health, safety and environmental policies. In response to the ongoing COVID-19 pandemic and in line with government guidance, the Company continues to adopt strict social distancing measures at all its office locations while a large number of staff work from home. The Company also continues to provide enhanced cleaning at its offices that are occupied by staff not working from home. These response measures will be kept under review, amended as necessary and maintained for the duration of the pandemic.

Brexit
Although the UK formally left the EU on 31 January 2020, it remained in the EU's single market and customs union until a transition period ended on 31 December 2020. On 24 December 2020 the EU-UK Trade and Cooperation Agreement (EU-UK TCA) was agreed and became operational from 1 January 2021. Notwithstanding the wider EU-UK TCA, the Northern Ireland Protocol, agreed as part of the Withdrawal Agreement, also came into force on 1 January 2021 to ensure that here would be no new checks on goods crossing the border between NI and the RoI. As a result of the protocol, Northern Ireland has in effect remained in the EU's single market for goods, while England, Scotland and Wales have left the EU's single market for goods. Furthermore, the Company will continue to monitor the impact of Brexit on its supply chains and those of its suppliers in order to manage any potential future risks.

STRATEGIC REPORT (continued)

Risk management and principal risks and uncertainties (continued)

Business continuity
The Company has measures in place to manage the risk that the business sustains a greater than necessary financial impact through inability to carry on its operations either for a short or prolonged period. The Company maintains a business continuity plan, including an IT disaster recovery plan. The business continuity plan proved to be effective in helping the Company respond to the impact of the COVID-19 pandemic. Business continuity plans are reviewed and tested annually.

The Company further enhanced its home working capabilities so that virtually all office based staff now have the capability to work from home securely. Furthermore, the Company has commenced planning for a future phased return to the office for those working from home and intends to pilot a longer-term blended working strategy.

Environmental, social and governance factors
The Company has in place measures to protect against financial and reputational risk from any failure to manage environmental, social and governance (ESG) factors. In general, ESG factors are managed through embedding Corporate Social Responsibility (CSR) into the Company's management processes and core business activities. Environmental risk, in particular, is managed through: business risk registers; environmental action plans; certified environmental management systems; and identification of potential environmental exposures.

IT security, cloud computing and data protection
Failure to maintain adequate IT security measures could lead to the loss of data or the inability to operate due to system unavailability through malicious cyber-attack on the Company's IT systems or its outsourced partners' IT systems or employee negligence. This could damage the Company's reputation, adversely impact operational performance or lead to a loss of income. The Energia Group has a strong cyber security, cloud computing and data protection culture and employs a dedicated IT Security Manager and a Data Protection Officer. In addition, the Group has an IT Security Forum and a Data Protection Forum which both comprise of the IT Security Manager, Data Protection Officer and a number of relevant operational managers from across the Group. These forums meet bi-monthly and report to the RMC. Through the forums, the Company actively promotes awareness of IT security and data protection and targeted controls and procedures are in place to mitigate the risks including the use of the services of external IT security and data protection advisors.

Financial control
Strong financial and business controls are necessary to ensure the integrity and reliability of financial and other information on which the Company relies for day-to-day operations, external reporting and for longer term planning. The Company exercises financial and business control through a combination of: appropriately qualified and experienced personnel; rigorous business planning processes; detailed performance analysis; an integrated accounting system; and clearly defined approval limits. The internal auditors test the effectiveness of financial and business controls. Investment decisions are accompanied by detailed analysis, both short and long term, of the markets and opportunities in which the Company operates.

Treasury risks
The Company's liquidity, funding, investment and financial risk, including risk from volatility in currency, interest rates, commodity prices and counterparty credit risk 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 to manage risk.

STRATEGIC REPORT (continued)

Risk management and principal risks and uncertainties (continued)

Treasury risks (continued)

Interest rate risk
The borrowings of the Company are denominated in sterling and carry a fixed rate of interest of 5.25% (2020 - 5.25%). There are no derivative financial instruments in respect of interest rates held at the Company level. Interest rate exposure is managed at the Energia Group level largely through fixed rate borrowings.

Credit risk
The Company's principal financial assets are cash at bank and in hand, trade and other debtors and other financial assets as outlined in the table below:

	Note	**2021 £'000**	2020 £'000
Cash at bank and in hand	15	**-**	3,791
Other debtors	12	**5,541**	5,911
Other financial assets	14	**13,371**	74,152
		18,912	83,854

The Company's credit risk in respect of other financial assets is primarily attributable to loans made to group undertakings. The directors do not consider that the Company is exposed to significant credit risk in respect of other financial assets. Provisions are made based on previous experience and identifiable events which indicate a reduction in the recoverability of cash flows. The maximum credit risk exposure relating to financial assets is represented by the carrying values as at the balance sheet date.

By order of the Board

Louise Patterson, Director

Registered office:
Greenwood House
64 Newforge Lane
Belfast, BT9 5NF

Registered number: NI 035800

Date: 29 September 2021

DIRECTORS' REPORT

The directors of Energia Customer Solutions NI Limited (the Company), present their Annual Report and Accounts for the year ended 31 March 2021.

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

None of the directors or the Company Secretary at 31 March 2021 had any interest in the share capital of the Company at the beginning or end of the year.

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

The Company is financed by intercompany loans funded from financing facilities within the Energia Group Limited group of companies (the Energia Group / the Group). In accordance with Energia Group treasury policy these intercompany loans are repayable 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 a period of at least 12 months from the date of signing the financial statements.

In assessing the appropriateness of the going concern basis of accounting a detailed analysis of the Group's forecast future cashflows has been prepared by management. The forecasts were based on the key assumptions of fuel prices (applying forward curves for commodities) and market demand (applying growth factors in line with publicly available forecasts and internal assessment).

Sensitivity analysis was undertaken in relation to the key assumptions to reflect updated fuel prices and a reduction in demand. The impact on the business of potential future scenarios arising from the impact of COVID-19 was also considered. In all scenarios tested the Group was shown to have sufficient financial headroom and was able to operate within the minimum EBITDA covenant contained within its Senior revolving credit facility.

Accordingly and based upon the receipt of a letter of support from EGL, which states that EGL will continue to provide financial support to the Company and will provide sufficient funds to the Company for these purposes for a period of at least 12 months from the date of approval of the balance sheet, the directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Future developments
The Company will continue to act as a service company on behalf of other Energia Group companies including but not limited to Power NI Energy Limited and Energia Customer Solutions Limited.

Charitable and political donations
There were charitable donations of £7k in the year (2020 - £20k). There were no political donations during the year (2020 - £nil).

DIRECTORS' REPORT (continued)

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
The Company has opted under an elective regime to dispense with the obligation to appoint auditors annually, and therefore Ernst & Young LLP's appointment is expected to continue next year.

By order of the Board

Louise Patterson
Director

Registered office:
Greenwood House
64 Newforge Lane
Belfast
BT9 5NF

Registered number: NI 035800

Date: 29 September 2021

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company 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 financial statements, 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENERGIA CUSTOMER SOLUTIONS NI LIMITED

Opinion

We have audited the financial statements of Energia Customer Solutions NI Limited for the year ended 31 March 2021 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and the related notes 1 to 24, including a summary of significant accounting policies The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view 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; 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 (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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

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.

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 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENERGIA CUSTOMER SOLUTIONS NI LIMITED (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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.

Opinions on other matters 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENERGIA CUSTOMER SOLUTIONS NI LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice)) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, data protection, anti-bribery and corruption.
- We understood how Energia Customer Solutions NI Limited is complying with those frameworks by making enquires of management, internal audit and those responsible for legal and compliance procedures. We corroborated our enquired through our review of Board minutes, papers provided to the Audit Committee and correspondence from regulatory bodies and noted there was no contradictory evidence.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by utilising internal and external information to perform a fraud risk assessment. We considered the risk of fraud through management override and, in response, we incorporated testing manual journals and designed procedures to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business, enquires of legal counsel, management and internal audit.

A further description of our responsibilities for the audit of the financial statements 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENERGIA CUSTOMER SOLUTIONS NI LIMITED (continued)

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
6 October 2021

INCOME STATEMENT
for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Turnover	3	**15,230**	85,505
Cost of sales		**-**	(73,975)
Gross profit		**15,230**	11,530
Operating costs		**(14,695)**	(2,658)
Operating profit	4	**535**	8,872
Interest receivable and similar income	7	**-**	140
Interest payable and similar cost	8	**(679)**	(797)
Net finance cost		**(679)**	(657)
(Loss) / profit before taxation		**(144)**	8,215
Tax credit / (charge)	9	**34**	(1,545)
(Loss) / profit for the year		**(110)**	6,670

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
(Loss) / profit for the year		**(110)**	6,670
Other comprehensive (expense) / income:			
Items that cannot be reclassified to profit or loss:			
Remeasurement loss on defined benefit pension	21	**(284)**	(274)
Tax on items relating to components of other comprehensive expense	9	**54**	68
Other comprehensive expense or the year		**(230)**	(206)
Total comprehensive (expense) / income for the year		**(340)**	6,464

BALANCE SHEET
as at 31 March 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible fixed assets	10	**157**	246
Intangible fixed assets	11	**8,942**	12,131
Right-of-use assets	13	**214**	301
		9,313	12,678
Current assets			
Other debtors	12	**5,541**	5,911
Deferred tax assets	9	**676**	518
Financial assets	14	**13,371**	74,152
Cash at bank and in hand	15	**-**	3,791
		19,588	84,372
Creditors: amounts falling due within one year			
Trade and other creditors	16	**(22,955)**	(18,079)
Income tax payable		**(173)**	(1,690)
Financial liabilities	17	**(183)**	(11,136)
Derivative financial instruments	18	**-**	(211)
Bank overdraft	15	**(70)**	-
		(23,381)	(31,116)
Net current (liabilities) / assets		**(3,793)**	53,256
Total assets less current liabilities		**5,520**	65,934
Creditors: amounts falling due after more than one year			
Financial liabilities	17	**(86)**	(178)
Defined benefit pension (deficit) / surplus	21	**(9)**	6
Net assets		**5,425**	65,762
Capital and reserves			
Equity share capital	19	**-**	-
Capital contribution reserve	19	**40**	37
Retained earnings	19	**5,385**	65,725
Total equity		**5,425**	65,762

The accounts were approved by the Board of directors and authorised for issue on 29 September 2021. They were signed on its behalf by:

Louise Patterson
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2021

	Note	Equity share capital £'000	Capital contribution reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2019		**-**	**29**	**59,261**	**59,290**
Profit for the year		-	-	6,670	6,670
Other comprehensive expense		-	-	(206)	(206)
Total comprehensive income for the year		**-**	**-**	**6,464**	**6,464**
Share based payment		-	8	-	8
At 31 March 2020		**-**	**37**	**65,725**	**65,762**
Loss for the year		-	-	(110)	(110)
Other comprehensive expense		-	-	(230)	(230)
Total comprehensive expense for the year		**-**	**-**	**(340)**	**(340)**
Share based payment		-	3	-	3
Dividends paid		-	-	(60,000)	(60,000)
At 31 March 2021		**-**	**40**	**5,385**	**5,425**

STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Cash flows generated from operating activities			
(Loss)/profit for the year		**(110)**	6,670
Adjusted for:			
Tax (credit) / charge		**(34)**	1,545
Net finance cost		**679**	657
Depreciation of property, plant and equipment		**124**	178
Amortisation of intangible fixed assets		**3,532**	3,462
Amortisation of lease asset		**87**	74
Derivatives at fair value through the income statement		**(211)**	(4,142)
Defined benefit pension charge less contributions paid		**(274)**	(181)
Share based payment		**3**	8
Operating cash flows before movement in working capital		**3,796**	8,271
Decrease / (increase) in working capital		**6,235**	(19,899)
Cash generated from / (used in) operations		**10,031**	(11,628)
Interest paid		**(708)**	(611)
Income tax paid		**(1,590)**	(1,009)
Net cash flows generated from / (used in) operating activities		**7,733**	(13,248)
Cash flows (used in) / generated from investing activities			
Purchase of property, plant and equipment		**(35)**	(394)
Purchase of intangible fixed assets		**(268)**	(1,333)
Proceeds from the disposal of intangible fixed assets		**-**	11,500
Transfer of business to fellow group undertaking		**-**	2,672
Net cash flows (used in) / generated from investing activities		**(303)**	12,445
Cash (used in) / generated from financing activities			
Receipt of loans from group undertakings		**48,825**	3,408
Dividends paid		**(60,000)**	-
Lease payments		**(116)**	(176)
Net cash flows (used in) / generated from financing activities		**(11,291)**	3,232
Net (decrease) / increase in cash at bank and in hand		**(3,861)**	2,429
Cash at bank and in hand at beginning of year		**3,791**	1,362
(Bank overdraft)/cash at bank and in hand at end of year	15	**(70)**	3,791

1. General information

Energia Customer Solutions NI Limited is a private company limited by shares, incorporated and domiciled in Northern Ireland.

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 £1,000 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 Energia Customer Solutions NI 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 paragraphs 91 - 99 of IFRS 13 Fair Value Measurement, because equivalent disclosures have been provided in the consolidated financial statements of the group in which the entity is consolidated.
- the requirements of paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment.
  - paragraph 118(e) of IAS 38 Intangible Assets.
- the requirements of paragraphs 16, 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 paragraphs 134(d) to 134(f) of IAS 36 Impairment of Assets because equivalent disclosures have been provided in the consolidated financial statements of the group in which the entity is consolidated.
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures.
- the requirement of paragraphs 110, 113, 114, 118, 119(a), 119(b), 119(c), 120-126 of IFRS 15 Revenue from Contracts with Customers

The principal accounting policies are set out below:

2. Accounting policies (continued)

Applicability of going concern basis
The Company's business activities, together with principal risks and uncertainties likely to affect its future performance are described in the Strategic Report.

The Company is financed by intercompany loans funded from financing facilities within the Energia Group Limited group of companies (the Energia Group / the Group). In accordance with Energia Group treasury policy these intercompany loans are repayable 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 a period of at least 12 months from the date of signing the financial statements.

In assessing the appropriateness of the going concern basis of accounting a detailed analysis of the Group's forecast future cashflows has been prepared by management. The forecasts were based on the key assumptions of fuel prices (applying forward curves for commodities) and market demand (applying growth factors in line with publicly available forecasts and internal assessment).

Sensitivity analysis was undertaken in relation to the key assumptions to reflect updated fuel prices and a reduction in demand. The impact on the business of potential future scenarios arising from the impact of COVID-19 was also considered. In all scenarios tested the Group was shown to have sufficient financial headroom and was able to operate within the minimum EBITDA covenant contained within its Senior revolving credit facility.

Accordingly and based upon the receipt of a letter of support from EGL, which states that EGL will continue to provide financial support to the Company and will provide sufficient funds to the Company for these purposes for a period of at least 12 months from the date of approval of the balance sheet, the directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

2. Accounting policies (continued)

Revenue from other Group Companies (Services)
Revenue from other Group Companies (Services) is recognised when control of the goods or services are transferred at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services provided in the normal course of business, exclusive of value added tax and other sales related taxes.

Intra-group receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to financial assets accounting policies below.

Revenue from contracts with customers (relevant to prior year)
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services provided in the normal course of business, exclusive of value added tax and other sales related taxes.

The following specific recognition criteria must also be met before turnover is recognised:

Energy supply
Turnover is recognised on the basis of energy supplied during the year. Turnover for energy supply includes an assessment of energy supplied to customers between the date of the last meter reading and the balance sheet date, estimated using historical consumption patterns. Revenue for electricity is recognised over time and only recognised when the performance obligation is satisfied in line with IFRS 15.

Contract balances (relevant to prior year)
Contract assets (accrued income)
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs its obligation by transferring goods or services to a customer and an invoice has not yet been raised, a contract asset is recognised for the earned consideration.

Contract liabilities (payments on account)
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company has transferred goods or services to the customer, a contract liability is recognised when the payment is received. Contract liabilities are recognised as revenue when the Company performs its performance obligation.

Interest income
Interest income is accrued on a time 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.

2. Accounting policies (continued)

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.

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

Deferred tax is not recognised on temporary differences where they arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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 on an undiscounted basis 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.

Tangible fixed assets
Tangible fixed assets are included in the balance sheet at cost, less accumulated depreciation and any recognised impairment loss. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate portion of overheads.

Tangible fixed assets are depreciated on a straight-line basis so as to write off the cost, less estimated residual values, over their estimated useful economic lives as follows:

Fixtures and equipment - up to 10 years

The carrying values of the tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. Where the carrying values exceed the estimated recoverable amount, the assets or cash generating unit are written down to their recoverable amount.

2. Accounting policies (continued)

Tangible fixed assets (continued)

The recoverable amount of the tangible fixed assets is the greater of the net selling price and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net selling price and the carrying amount of the asset.

Intangible fixed assets
Computer software
The cost of acquiring computer software is capitalised and amortised on a straight-line basis over the estimated useful economic life of the software which is between 5 and 10 years. Costs include direct labour relating to software development and an appropriate proportion of directly attributable overheads.

The carrying value of computer software is reviewed for impairment annually when the asset is not yet in use and subsequently when events or changes in circumstances indicate that the carrying value may not be recoverable. Where the carrying values exceed the estimated recoverable amount, the assets or cash generating unit are written down to their recoverable amount.

Gains or losses arising from derecognition of computer software are measured as the difference between the net selling price and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

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. Except for trade receivables that do not contain a significant financing component or which the Company has applied the practical expedient, 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.

2. Accounting policies (continued)

Financial instruments (continued)
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. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

This category generally applies other receivables and amounts due from related parties. Trade receivables do not carry any interest and are recognised and carried at the lower of their original invoiced value and recoverable amount.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IFRS 9. The Group has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the income statement.

2. Accounting policies (continued)

Financial instruments (continued)

Financial assets at fair value through profit or loss (continued)
A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial assets out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

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 the case, the Company also recognised 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.

2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)
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 indicated that it 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.

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 trade and other payables, loans and borrowings 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. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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.

2. Accounting policies (continued)

Financial instruments (continued)

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.

Interest free loans receivable from or payable to the parent undertaking are recognised at fair value on initial recognition based on the market rate of interest for similar loans at the date of issue. In case of loans received from a parent undertaking the difference on initial recognition between the fair value and the loan amount is recorded as a capital contribution in equity. The difference arising between the amount of a loan made to a parent undertaking and its fair value is treated as a distribution to the parent and reflected within equity. Subsequently, an interest expense or receivable is recognised within the income statement using the EIR method so that each loan is stated at the amount repayable or receivable at the redemption date.

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.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Cash at bank and in hand
Cash at bank and in hand comprises cash at bank and in hand and short-term deposits with maturities of three months or less.

Leases
Right-of-Use Assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Leases of land and buildings generally have lease terms between 5 and 25 years. Right-of-use assets are subject to impairment.

2. Accounting policies (continued)

Financial instruments (continued)

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Share-based payments

Employees (senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in note 21.

That cost is recognised in employee benefits expense (note 6), together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2. Accounting policies (continued)

Share-based payments (continued)

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Foreign currency translation
The functional and presentation currency of the Company is Sterling (£).

Foreign currency transactions are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing at the balance sheet date are recognised in the income statement.

Dividends
Final dividends are recorded in the year in which shareholder approval is obtained. Interim dividends are recorded in the year in which they are paid.

Pensions
Employees of the Company are entitled to membership of the Energia Group NI Pension Scheme (EGNIPS) which has both defined benefit and defined contribution pension arrangements. The amount recognised in the balance sheet in respect of liabilities represents the present value of the obligations offset by the fair value of assets.

The cost of providing benefits under the defined benefit scheme is determined using the projected unit credit method.

Pension remeasurements, comprising of actuarial gains and losses, excluding net interest, and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur. Pension remeasurements are not reclassified to profit or loss in subsequent years. Past service costs are recognised in profit or on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Company recognises restructuring-related costs.

2. Accounting policies (continued)

Pensions (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under operating costs in the consolidated statement of profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- net interest expense or income.

Pension costs in respect of defined contribution arrangements are charged to the profit and loss account as they become payable.

The Company has adopted the exemption allowed in IFRS 1 to recognise all cumulative actuarial gains and losses at the transition date in reserves.

Critical accounting judgements and key sources of estimation uncertainty
Employees of the Company are entitled to membership of EGNIPS which has both defined benefit and defined contribution arrangements. The cost of providing benefits under the defined benefit scheme is determined using the projected unit method. The key assumptions used in relation to the cost of providing post-retirement benefits are set after consultation with qualified actuaries. While these assumptions are considered to be appropriate, a change in these assumptions would impact the earnings of the Company, further detail is provided in note 21.

3. Turnover

Turnover was attributable to the supply of energy and associated renewable benefits in Northern Ireland up until 30th September 2019 when energy sales ceased following the transfer of the supply business to Power NI Energy limited. Following the transfer, the Company's principal activity became that of a service company on behalf of other Energia Group companies. All turnover is in respect of sales in the United Kingdom and is stated net of value added tax, representing the amounts invoiced to third parties.

An analysis of turnover is as follows:

	2021	2020
	£'000	£'000
Service income	**15,230**	-
Energy sales	**-**	85,505
	15,230	85,505

4. Operating profit

Operating profit is stated after charging:

	2021	2020
	£'000	£'000
Depreciation of tangible fixed assets (note 10)	**124**	178
Amortisation of intangible fixed assets (note 11)	**3,532**	3,462
Amortisation of lease asset (note 13)	**87**	74

5. Auditors' remuneration

The following remuneration was paid to the Company's auditors in respect of services to the Company and its UK subsidiary undertakings as follows:

	2021	2020
	£'000	£'000
Fees payable to the Company's auditor for the audit of the Company's accounts	**15**	15

Auditors' remuneration in the current and previous years has been borne by a fellow group undertaking.

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of its parent Energia Group Limited.

6. Staff costs and directors' remuneration

	2021	2020
	£'000	£'000
Salaries	**5,325**	5,194
Social security costs	**606**	573
Pension costs:		
- defined contribution	**472**	432
- defined benefit	**92**	126
	6,495	6,326

The actual employee headcount at 31 March 2021 was 143 (2020 - 139). The monthly average number of employees during the year was 140 (2020 – 146).

Directors remuneration
The remuneration of the directors paid by the Company was as follows:

	2021	2020
	£'000	£'000
Emoluments	**452**	279
Post employment pension costs	**52**	10

These figures also reflect the remuneration of the highest paid director.

The definition of remuneration includes remuneration awarded in the year but payable in future years.

Remuneration of £166k (2020 - £374k) was paid to the Company's directors by other Energia Group undertakings. The directors do not believe that it is practical to apportion this remuneration between their services as directors of the Company and their services as directors of other Energia Group undertakings.

Included in salary costs above is an amount of £3k (2020 - £8k) in relation to the Energia Group's Management Investment Plan (MIP), an equity settled share based payment scheme for senior executives of the Group.

7. Interest receivable and similar income

	2021	2020
	£'000	£'000
Amounts owed by group undertakings	**-**	140
	-	140

8. Interest payable and similar cost

	2021 £'000	2020 £'000
Amounts owed to group undertakings	**532**	528
Other interest payable	**37**	216
Accretion of lease liability (note 13)	**20**	24
Bank interest payable	**90**	13
Foreign exchange	**-**	16
	679	797

9. Tax credit / (charge)

Tax credit / (charge)
(i) Analysis of credit / (charge) in the year

	2021 £'000	2020 £'000
Income Statement		
Current tax		
UK corporation tax at 19% (2020 - 19%)	**(74)**	(1,590)
Corporation tax (over) / under provided in previous years	**2**	(4)
Total current tax charge	**(72)**	(1,594)
Deferred tax		
Origination and reversal of temporary differences in current year	**106**	20
Effect of change in tax rate on opening asset	**-**	31
Adjustment in respect of prior periods	**-**	(2)
Total deferred tax credit	**106**	49
Tax credit / (charge) reported in the Income Statement	**34**	(1,545)
Tax relating to items credited to other comprehensive income		
Deferred tax		
Actuarial loss on pension scheme	**54**	52
Effect of change in tax rate on opening asset	**-**	16
Tax credit in the Statement of Comprehensive Income	**54**	68

9. Tax credit /(charge) (continued)

(ii) Reconciliation of total tax charge
The tax credit / (charge) in the Income Statement for the year varies from the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are reconciled below:

	2021 £'000	2020 £'000
Accounting (loss) / profit before tax	**(144)**	8,215
Accounting (loss) / profit multiplied by the UK standard rate of corporation tax of 19% (2020 - 19%)	**27**	(1,561)
Non taxable credits	**5**	-
Expenses not deductible for tax purposes	**-**	(9)
Effect of change in tax rate	**-**	31
Tax over / (under) provided in prior years	**2**	(6)
Tax credit / (charge) for the year	**34**	(1,545)

(iii) Deferred tax

The deferred tax included in the Balance Sheet is as follows:	**2021 £'000**	2020 £'000
Deferred tax assets		
Decelerated capital allowances	**650**	474
Pension obligation	**2**	(1)
Other temporary differences	**24**	45
Deferred tax assets	**676**	518

The deferred tax credit included in the Income Statement is as follows:	**2021 £'000**	2020 £'000
Decelerated capital allowances	**176**	112
Pension obligation	**(51)**	(66)
Other temporary differences	**(19)**	3
Deferred tax credit	**106**	49
The deferred tax credited to other comprehensive income is as follows:		
Pension obligation	**54**	68
Deferred tax credit	**54**	68

9. Tax credit /(charge) (continued)

Deferred tax has been calculated at 19% as at 31 March 2021 (2020 - 19%).

Current tax has been calculated using standard rates of corporation tax in the UK being the prevalent rates of corporation tax of the Company.

An increase in the UK corporation rate from 19% to 25% (effective from April 2023) was announced in the 2021 Budget. This rate has not been substantially enacted at the balance sheet date and is not reflected in the deferred tax balances. The 25% rate was substantially enacted on 24 May 2021.

A change in rate to 25% would increase the recognised net UK deferred tax asset at 31 March 2021 by £214k

10. Tangible fixed assets

	Fixtures and equipment £'000
Cost:	
At 1 April 2020	3,316
Additions	35
At 31 March 2021	**3,351**
Depreciation:	
At 1 April 2020	3,070
Charge for the year	124
At 31 March 2021	**3,194**
Net book value:	
At 1 April 2020	**246**
At 31 March 2021	**157**

11. Intangible fixed assets

	Software £'000
Cost:	
At 1 April 2020	29,159
Additions	343
At 31 March 2021	**29,502**
Amortisation:	
At 1 April 2020	17,028
Charge for the year	3,532
At 31 March 2021	**20,560**
Net book value:	
At 1 April 2020	12,131
At 31 March 2021	**8,942**

Amortisation is included within operating costs in the income statement.

12. Other debtors

	2021 £'000	2020 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	**4,864**	5,133
Prepayments	**653**	665
Other debtors	**24**	71
Contract assets (accrued income)	**-**	42
	5,541	5,911

The directors consider that the carrying amount of the above debtors equates to their fair value.

Contract assets (accrued income) in 2020 relate to revenue from SEMO not yet invoiced. This revenue is settled daily, weekly and monthly in line with market settlement timelines and therefore there is no provision held for ECLs. Contract assets (accrued income) settled in the year amounted to £42k (2020: £625k). As at 31 March 2021, the Company has no contract assets (accrued income) (2020: £42k).

13. Leases

The Company has lease contracts for various items of land and buildings used in its operations. Leases of land and buildings generally have lease terms between 5 and 25 years.

There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land and Buildings £'000
As at 1 April 2020	**301**
Amortisation	**(87)**
As at 31 March 2021	**214**

13. Leases (continued)

Set out below are the carrying amounts of lease liabilities included within financial liabilities (as disclosed in note 17) and the movements during the period:

	Lease liabilities £'000
As at 1 April 2020	**365**
Accretion of lease liability	**20**
Payments	**(116)**
As at 31 March 2021	**269**
Current	**183**
Non-current	**86**

14. Other Financial assets

	2021 £'000	2020 £'000
Current		
Amounts owed by group undertakings	**11,810**	71,584
Allowance for expected credit losses	**(6)**	(35)
Cash collateral balances	**1,567**	2,603
Total current financial assets	**13,371**	74,152

All amounts owed by group undertakings are repayable within one year or on demand and are interest bearing.

15. (Bank overdraft) / cash at bank and in hand

	2021 £'000	2020 £'000
(Bank overdraft) / cash at bank and in hand	**(70)**	3,791
	(70)	3,791

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The Company's cash at bank and in hand balances are denominated in Euro/Sterling.

16. Trade and other creditors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade creditors	**157**	1,368
Amounts owed to group undertakings	**19,506**	7,050
Accruals and deferred income	**2,772**	6,290
Other creditors	**327**	3,220
Tax and social security	**193**	151
	22,955	18,079

The directors consider that the carrying amount of other creditors equates to fair value.

17. Financial liabilities

	2021 £'000	2020 £'000
Current		
Amounts owed to group undertakings	**-**	10,949
Lease liability	**183**	187
Total current financial liabilities	**183**	11,136
Non-current		
Lease liability	**86**	178
Total non-current financial liabilities	**86**	178
Total current and non-current financial liabilities	**269**	11,314

Amounts owed to group undertakings carry interest at fixed rates. All amounts owed to group undertakings are repayable within one year or on demand.

18. Derivative financial instruments

	2021 £'000	2020 £'000
Creditors falling due within one year		
Commodity contracts	**-**	(211)
Total derivative financial instruments	**-**	(211)

19. Share Capital and Reserves

Equity share capital presented as equity

	2021 Number	2020 Number	**2021 £**	2020 £
Allotted, called up and fully paid				
2 Ordinary shares of £1 each	**2**	2	**2**	2

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

Capital contribution reserve
The balance classified as capital contribution reserve arises from the recognition of costs under the Group's MIP.

20. Dividends paid and proposed

The following dividends were paid to the parent undertaking.

	2021 £'000	2020 £'000
Declared and paid during the year:		
Dividends on ordinary shares:		
Final dividend for 2021: £30,000k per share (2020 - nil)	**60,000**	-

21. Pension commitments

	2021 £'000	2020 £'000
Net employee defined benefit (deficit) / surplus (before deferred tax)	**(9)**	6

The EGNIPS has two sections: a money purchase section (known as 'Options') and a defined benefit section (known as 'Focus'). The defined benefit section is closed to new entrants.

The assets of the focus section are held under trust and invested by the trustees on the advice of professional investment managers.

The regulatory framework in the UK requires the Trustees and the Company to agree upon the assumptions underlying the funding target, and then to agree upon the necessary contributions required to recover any deficit at the valuation date. There is a risk to the Group that adverse experience could lead to a requirement for the Energia Group to make further contributions to recover any deficit.

21. Pension commitments (continued)

The Trustees regularly review the investment strategy of the EGNIPS and target to maintain the mix of investments between 45% on-risk and 55% off-risk.

The last actuarial valuation of EGNIPS was as at 31 March 2018 and under the terms of the recovery plan agreed with the trustees, the Group will make good the funding shortfall through annual deficit repair contribution of £246k for six years.

The following tables summarise the components of net benefit expense recognised in the income statement and the funded status and amounts recognised in the balance sheet for the EGNIPS:

EGNIPS Focus Section
Changes in the defined benefit obligation, fair value of Focus assets and unrecognised past service costs.

	2021 £'000	2020 £'000
Market value of assets 1 April 2020	**9,448**	12,038
Interest income	**227**	266
Contributions from scheme members	**10**	11
Contributions from employer	**396**	394
Contributions from employer (SMART)	**9**	13
Return/(loss) on plan assets (excluding net interest expense)	**1,316**	(694)
Benefits paid	**(142)**	(1,537)
Transfer of employees	**-**	(1,043)
Market value of assets at 31 March 2021	**11,264**	9,448

	2021 £'000	2020 £'000
Actuarial value of liabilities at 1 April 2020	**9,442**	12,019
Interest cost	**227**	266
Current service cost	**122**	133
Past service cost	**4**	-
Contributions from scheme members	**10**	10
Contributions from scheme members (SMART)	**10**	13
Actuarial loss/(gain) from change in financial assumptions	**1,688**	(562)
Actuarial (gain)/loss/ from experience	**(88)**	142
Benefits paid	**(142)**	(1,538)
Transfer of employees	**-**	(1,041)
Actuarial value of liabilities at 31 March 2021	**11,273**	9,442

The actual gain in Focus assets for 2021 amounted to £1,543k (2020 – loss of £428k).
The Company expects to make contributions of £122k to Focus in 2021/22 in respect of current service pension costs.

21. Pension commitments (continued)

The amounts recognised in the Income Statement and in the Statement of Comprehensive Income for the year are analysed as follows:

	2021 £'000	2020 £'000
Recognised in the Income Statement		
Current service cost	**122**	133
Recognised in arriving at operating profit	**122**	133

All of the current and past service cost for the year has been included in operating costs.

	2021 £'000	2020 £'000
Recognised in the Statement of Comprehensive Income		
Return / (loss) on plan assets (excluding net interest expense)	**1,316**	(694)
Actuarial (loss) / gain on liabilities from change in financial assumptions	**(1,688)**	562
Actuarial gain / (loss) on experience	**88**	(142)
Recognised in the Statement of Comprehensive Income	**(284)**	(274)

Assets and Liabilities:

The assets and liabilities of Focus are:

	Value at 31 March 2021 £'000	Value at 31 March 2020 £'000
Equities	**5,251**	4,116
Bonds	**5,758**	5,294
Other	**255**	38
Total market value of assets	**11,264**	9,448
Actuarial value of liabilities	**(11,273)**	(9,442)
Net pension (liability) / asset	**(9)**	6

21. Pension commitments (continued)

Assets and Liabilities (continued)

The pension scheme has not invested in any of the Company's own financial instruments nor in properties or other assets used by the Company.

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

Assumptions	Sensitivity level	Impact on net defined benefit obligation Increase/(decrease) 2021 £'000	2020 £'000
Pensionable salaries	1% increase	**112**	112
	1% decrease	**(106)**	(107)
Pension payments	0.5% increase	**984**	784
	0.5% decrease	**(879)**	(704)
Discount rate	0.5% increase	**(914)**	(740)
	0.5% decrease	**1,038**	839
Inflation	1% increase	**2,191**	1,683
	1% decrease	**(1,595)**	(1,302)
Life expectancy of male pensioners	Increase by 1 year	**241**	170
	Decrease by 1 year	**(238)**	(169)
Life expectancy of female pensioners	Increase by 1 year	**133**	94
	Decrease by 1 year	**(132)**	(94)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

21. Pension commitments (continued)

Assets and Liabilities (continued)

The principle assumptions used in determining pension and post-employment medical benefit obligations for the EGNIPS focus are shown below:

	2021	2020
Rate of increase in pensionable salaries	**3.35% per annum**	2.45% per annum
Rate of increase in pensions in payment	**2.90% per annum**	2.35% per annum
Discount rate	**2.0% per annum**	2.40% per annum
Inflation assumption	**2.9% per annum**	2.30% per annum
Life expectancy:		
Current pensioners (at age 60) - males	**27.0 years**	27.0 years
Current pensioners (at age 60) - females	**29.1 years**	29.1 years
Future pensioners (at age 60) - males	***28.5 years**	*28.5 years
Future pensioners (at age 60) - females	***30.7 years**	*30.7 years

*Life expectancy from age 60 for males and females.

The life expectancy assumptions are based on standard actuarial mortality tables and include an allowance for future improvements in life expectancy.

The following payments are expected contributions to be made in the future years towards the defined benefit plan obligation:

	2021 **£'000**	2020 £'000
Within the next 12 months (next annual reporting period)	**400**	400
Between two and five years	**800**	1,200
Between five and ten years	**100**	200
Total expected payments	**1,300**	1,800

The average duration of the defined benefit plan obligation at the end of the reporting period is 18 years (2020 - 18 years).

22. Related party disclosures

Other related parties
During the year the Company contributed £877k to EGNIPS (2020 - £839k).

22. Related party disclosures (continued)

The immediate parent undertaking of the Company is Energia NI Holdco Limited, a company incorporated in Northern Ireland. 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.

Transactions between the Company and related parties are disclosed below:

	Turnover and interest received £'000	Charges and interest paid £'000	Amounts owed by related party £'000	Amounts owed to related party £'000
2021				
Immediate parent undertaking	**-**	**-**	**11,805**	**4**
Fellow group undertakings	**15,230**	**-**	**4,864**	**19,502**
	15,230		**16,669**	**19,506**
2020				
Immediate parent undertaking	-	62	59,919	22
Fellow group undertakings	182	6,493	5,778	7,028
	182	6,555	65,697	7,050

Loans to group undertakings carry a variable rate of interest. Loans from group undertakings carry a fixed rate of interest. Loan balances with other group undertakings relate to intra-group funding requirements. Transactions with group undertakings are on an arms' length basis. Intra-group trading balances are settled on a monthly basis.

23. Guarantees and other financial commitments

The Company has granted a first ranking fixed and floating charge over its assets, and acts as guarantor in respect of its parent company Energia Group Limited and its subsidiaries' senior secured notes and senior revolving credit facility. At 31 March 2021, £518.6m (2020 - £527.5m) was outstanding under the senior secured notes and there were no cash drawings outstanding on the senior revolving credit facility (2020 - £nil).

24. Approval of financial statements

The accounts were approved by the Board of directors and authorised for issue on 29 September 2021.