Energetics Electricity Limited

Annual Report

Registered number SC234694
Year ended 31 December 2013

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Strategic review for the year ended 31 December 2013

Business review

The year to 31 December 2013 has seen the number of electricity domestic connections energised increase by 10% from the previous year to 8,206 (2012: 7,494) as the UK housing market continues to slowly recover from the effects of the credit crunch. The number of new domestic connections secured through new contract awards has increased by 3.5% from the previous year to 11,289 on the back of some large contract wins by Energetics Design & Build Limited, a fellow subsidiary of Energetics Networked Energy Limited, such as the Ridgeway Farm project in Swindon with 700 homes and Winnington Lane, Northwich with 1,200 homes, all scheduled to be energised over the next seven years.

In addition to the increase in new energised domestic connections the business has also seen further load increases across the existing Half Hourly (industrial & commercial) portfolio as developments such as The Rock in Bury and Media City, Salford continue to attract further tenants. Another key improvement through 2013 resulted in a 300% year-on-year increase in the value of new contract awards secured through Energetics Design & Build Limited with a similar increase in the volume of load secured through these projects. The pipeline of enquires in this sector continues to increase and with the establishment of the Major Projects Division towards the end of 2013, there are a number of potential major flagship developments that the business is pursuing into 2014.

Although the business performed well in very tough market conditions, these efforts were overshadowed by the work involved in bringing long-term investment into the business. Most of the 2013 operating year was taken up with preparing an Information Memorandum (IM) and engaging with a number of potential funders. This was a lengthy process and it was not until the second half of 2013 that this investment was ultimately in place.

The impact of these changes for the year ended 31 December 2013 resulted in a profit for the financial year of £1,324,000 (2012: £1,017,000).

On 9 August 2013 the company's parent, Energetics Networked Energy Ltd, signed a Facility Agreement with Macquarie Bank for a significant injection of debt finance. In addition to the debt facility, Macquarie Bank has also committed a considerable cash injection to acquire a major equity stake in the Energetics Group, albeit this equity would not constitute a controlling interest.

Principal risks and uncertainties

The principal risk is the increasing level of competition in the sector which could lead to a downturn in securing new assets with a subsequent slowdown in growth. Energetics Electricity Limited manages this risk through the tailored commercial offerings to its customers and also securing high levels of service and on-site delivery through its fellow subsidiary, Energetics Design & Build Limited.

The risk to revenues of fluctuations in market pricing has decreased since 2010 following the introduction of specific IDNO tariffs under the CDCM initiative. Hand-in-hand with the fact that the electricity distribution sector is regulated on a Relative Price Control (RPC) basis, the resultant regulated income from each live connection is relatively predictable.

Key performance indicators

The directors primarily consider financial KPIs in their evaluation of performance of the business. These include:

	2013 £'000	2012 £'000
Revenue	7,060	5,386
Revenue % increase	31%	48%
Operating profit	1,751	1,362
Operating profit %	25%	25%

On behalf of the board

W McClymont

W McClymont
Director
18 June 2014

Directors' report for the year ended 31 December 2013

The directors present their annual report and the audited financial statements of Energetics Electricity Limited ("the company") for the year ended 31 December 2013. The business review and future developments have been set out in the Strategic Review.

Principal activities

Energetics Electricity Limited is a licensed Independent Distribution Network Operator (IDNO) where the main activities are the ownership and operation of newly built electrical distribution network assets resulting in regulated use of system revenue together with associated costs.

Dividends

The Directors do not recommend payment of a dividend (2012: £nil).

Directors

The Directors who held office during the period and up to the date of the approval of these financial statements were:

Harry O'Donnell	(resigned 31 January 2014)
William McClymont	
Kenneth Stewart	
Mark Cummings	(resigned 4 November 2013)
Nigel Alcock	(appointed 4 November 2013)

Equal opportunities

Energetics Electricity Limited is committed to promoting equal opportunities for all, irrespective of age, colour, disability, ethnic origin, marital status, nationality, race, religion, belief, creed, sex, sexual orientation or any other considerations that do not impact on a person's ability to perform their role in the company.

Employee involvement

Energetics Electricity Limited ensures that employees are kept informed of all relevant matters through communications channels such as group presentations, circulars, e-mail and informal 'tool box' talks.

Financial risk management

The activities of Energetics Electricity Limited expose it to a variety of financial risks: market risk in terms of pricing structures and material cost fluctuations, and credit risk as a result of previous trading history. Risk management is carried out by the board who regularly review these risks at both a company and group level. In response to these and other risks the Energetics group of companies (see note 20) has secured long term funding that will allow the company to continue to invest in the construction of new network assets, and support the growth plans of the group. This funding significantly mitigates any liquidity risk arising from the slow receipt of external funds, and allows the directors of the company and group to assert that the going concern basis of preparation of the financial statements continues to be appropriate.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

Directors' report for the year ended 31 December 2013 *(continued)*

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

Disclosure of information to the auditors

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believe that all steps have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have expressed a wish to continue in office. A resolution concerning their reappointment will be proposed at the AGM.

On behalf of the board

W McClymont

W McClymont
Director
18 June 2014

Independent auditors' report to the member of Energetics Electricity Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Energetics Electricity Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Independent auditors' report to the member of Energetics Electricity Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's member 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.

Michael Timar (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
18 June 2014

Profit and Loss Account
For the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Turnover	*1*	**7,060**	5,386
Cost of sales		**(2,924)**	(2,163)
Gross profit		**4,136**	3,223
Administrative expenses		**(2,385)**	(1,861)
Operating profit	*2*	**1,751**	1,362
Interest payable and similar charges		**(450)**	(53)
Profit on ordinary activities before taxation		**1,301**	1,309
Taxation on profit on ordinary activities	*5*	**23**	(292)
Profit for the financial year		**1,324**	1,017

All turnover and operating profit of the company is derived from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year and their historical cost equivalents, and all profits have been realised.

The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented.

The notes on pages 10 to 17 form a part of these financial statements.

Balance Sheet

Registered number SC234694

As at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	6	80,774	65,784
Current assets			
Debtors	7	847	535
Cash at bank and in hand	18	717	252
		1,564	787
Creditors: amounts falling due within one year	8	(8,793)	(11,530)
Net current liabilities		(7,229)	(10,743)
Total assets less current liabilities		73,545	55,041
Creditors: amounts falling due after more than one year	9	(6,026)	-
Provisions for liabilities and charges	10	(386)	(409)
Deferred revenue	11	(64,578)	(53,401)
Net assets		2,555	1,231
Capital and reserves			
Called up share capital	12	-	-
Share premium account	13	417	417
Profit and loss account	13	2,138	814
Total shareholders' funds	16	2,555	1,231

The financial statements on pages 8 to 17 were approved by the board of directors on 18 June 2014 and were signed on its behalf by:

Will McClymont

W McClymont
Director

The notes on pages 10 to 17 form a part of these financial statements.

Accounting Policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below, and have been applied consistently throughout.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be readily measured. Turnover is measured at the fair value of the consideration received, excluding rebates and VAT and represents the invoiced value of regulated electricity distribution use of system charges invoiced to UK electricity supply companies for the use of the company's electricity distribution networks as established from industry data flows and includes accruals for income not yet billed. Turnover is generated wholly within the United Kingdom.

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No.1 (revised) on the grounds that it qualifies as a small company as defined by the Companies Act 2006.

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their agreed purchase price together with the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Electricity Networks - On a straight line basis over 40 years
IT Infrastructure - On a straight line basis over 5 years
Network equipment - On a straight line basis over 5 years

Network assets under construction are not depreciated and are transferred to Electricity Networks upon achieving 75% completion.

Current taxation

Current tax, including UK Corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. The taxation liabilities of certain group companies may be reduced, wholly or in part, by the surrender of losses by fellow group companies. The decision to charge group relief is made on a case by case basis.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are the differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Financial assets and liabilities

Financial assets and liabilities are measured at the lower of historic costs or their expected recoverable amount.

Accounting Policies *(continued)*

Provisions for liabilities and charges

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provision is made for deferred taxation in line with the policy detailed above.

Deferred revenue

Deferred revenue relates to customer contributions receivable towards the construction cost of electricity network assets. Deferred revenue is amortised to the profit and loss account over a period of 40 years in direct proportion to the depreciation charge incurred on the asset to which it relates. Deferred revenue is released to revenue in the profit and loss account over the life of the asset to match the costs of providing the ongoing transportation services. Energetics as a group are responsible for the maintenance and upkeep of these network assets and the costs of doing so is reflected in cost of sales. The associated depreciation of these network assets is accounted for in administrative expenses.

Post-retirement benefits

The company is party to the Energetics Networked Energy Limited defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Notes to the Financial Statements
For the year ended 31 December 2013

1 Turnover

Turnover is generated wholly within the United Kingdom and from the single activity of ownership of electricity network connections.

2 Operating profit

	2013 £'000	2012 £'000
Operating profit is stated after (crediting)/charging:		
Release of deferred revenue	**(1,312)**	(1,120)
Auditors' remuneration:		
Audit services	**25**	25
Non Audit services	**4**	4
Depreciation	**1,489**	1,285

3 Remuneration of directors

	2013 £'000	2012 £'000
Aggregate emoluments	**50**	48
Pension contributions	**2**	3
	52	51

Retirement benefits are accruing to one (2012: one) director under a defined contribution scheme. Other directors of Energetics Electricity Limited are also directors of other group companies and the services provided to Energetics Electricity Limited are considered ancillary in comparison to the services they provide to these other group companies. As such no recharge is made to Energetics Electricity Limited for their services other than one director. Full details of the remuneration paid to the Directors can be found in the statutory financial statements of Energetics Design and Build Limited for the year ended 31 December 2013.

During the year no director (2012: nil) was granted options to purchase shares in Energetics Networked Energy Limited, the ultimate parent company under an Enterprise Management incentive scheme. As a result of a change of ownership on 9 August 2013 as disclosed in note 20, all options fully vested on this date leaving no outstanding options.

4 Staff numbers and costs

The monthly average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2013	2012
Administrative staff	**4**	4

The aggregate payroll costs of these persons were as follows:

	2013 £'000	2012 £'000
Wages and salaries	**171**	143
Social security costs	**20**	16
Other pension cost (note 15)	**8**	8
	199	167

Notes *(continued)*

5 Tax on profit on ordinary activities

(a) Analysis of charge in the period

	2013 £'000	2012 £'000
Deferred tax		
Origination and reversal of timing differences	**35**	301
Change in tax rates	**(58)**	(9)
Total tax charge	**(23)**	292

(b) Factors affecting tax charge for the period

The current tax for the year differs from the standard rate of corporation tax in the UK of 23.25% (2012:24.5%). The differences are explained below.

	2013 £'000	2012 £'000
Current tax reconciliation		
Profit on ordinary activities before tax	**1,301**	1,309
Tax charge on profit/(loss) on ordinary activities at standard rate 23.25% (2012: 24.5%)	**302**	321
Factors affecting the charge for the year:		
Capital allowances less than/(more than) depreciation	**41**	(196)
Utilisation of tax losses	**(76)**	(125)
Group relief surrendered	**(267)**	-
Total current tax (note 5a)	**-**	-

The company has a deferred tax liability of £386,000 (2012: £409,000) as set out in note 10.

During the year, a change in the UK Corporation tax rate from 24% to 23% was effective from 1 April 2013.

In addition, a number of further changes to the UK Corporation tax system were announced in the March 2013 UK Budget statement. Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015 was included in Finance Act 2013, which was substantively enacted on 2 July 2013. The impact of these changes have been reflected in the closing deferred tax balance.

Notes *(continued)*

6 Tangible fixed assets

	Network Equipment £'000	Network Assets £'000	Network Assets under construction £'000	IT Infrastructure £'000	Total £'000
Cost					
At 1 January 2013	19	58,507	10,684	278	69,488
Additions	-	-	16,478	-	16,478
Transfers	-	15,176	(15,176)	-	-
At 31 December 2013	**19**	**73,683**	**11,986**	**278**	**85,966**
Accumulated depreciation					
At 1 January 2013	19	3,427	-	258	3,704
Charge for the year	-	1,476	-	12	1,488
At 31 December 2013	**19**	**4,903**	**-**	**270**	**5,192**
Net book value					
At 31 December 2013	**-**	**68,780**	**11,986**	**8**	**80,774**
At 31 December 2012	-	55,080	10,684	20	65,784

7 Debtors

	2013 £'000	2012 £'000
Due within one year		
Trade debtors	**9**	7
Prepayments	**107**	72
Amounts owed from associated undertakings	**166**	-
Sundry debtors	**5**	-
Accrued revenue	**560**	456
	847	535

8 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Bank loans	**-**	1,500
Trade creditors	**189**	257
Other creditors	**333**	-
Amount owed to group undertakings	**7,745**	9,128
Amounts owed to related parties (see note 17)	**-**	150
Accruals	**526**	495
	8,793	11,530

The bank loan was fully repaid on 13 August 2013 as part of the refinancing transaction with Macquarie Bank.

Amounts owed to group undertakings are repayable on demand. They primarily relate to the acquisition of fixed assets, are unsecured, interest free and have no fixed date of repayment.

Notes (continued)

9 Creditors: amounts falling due after more than one year

	2013 £'000	2012 £'000
Bank loan (see note 17)	6,026	-
	6,026	-

Amounts shown above are due in full to Macquarie Bank by way of balloon payment in 2018 and are repaid on an interest only basis until that time. Included within the balance owed are deferred arrangement fees of £365,000. These arrangement fees are charged to the profit and loss account evenly over the 5 year term of the loan.

The interest rate is based upon 3 month Libor plus a margin, on the drawn facilities, with a commitment fee payable on the undrawn facilities

10 Provisions for liabilities

	Deferred Tax 2013 £'000	Deferred Tax 2012 £'000
Opening balance at 1 January	409	117
Charged to profit and loss account (note 5)	(23)	292
At 31 December	386	409

Provision for deferred tax consists of:

	2013 £'000	2012 £'000
Accelerated capital allowances	386	485
Other short term timing differences – losses	-	(76)
Total provision for deferred tax liability	386	409

11 Deferred revenue

	At 1 January 2013 £'000	Receivable during the year £'000	Released to the profit and loss account £'000	At 31 December 2013 £'000
Customer contributions	53,401	12,489	(1,312)	64,578

12 Called up share capital

	2013 £	2012 £
Authorised		
Equity: 100,000 Ordinary shares of £1 each	100,000	100,000
Allotted and fully paid		
Equity: 244 Ordinary shares of £1 each	244	244

Notes (continued)

13 Reserves

	Share Premium account £'000	Profit & loss account £'000
At 1 January 2013	417	814
Profit for the financial year	-	1,324
At 31 December 2013	**417**	**2,138**

14 Capacity charges and operating leases

The company has financial commitments for the year ending 31 December 2013 in respect of paying variable network capacity charges in connection with electricity networks owned. Such costs are incurred as part of the normal course of business as a regulatory cost of sale and are compensated for through regulated revenue streams. The company has no annual commitments under non-cancellable operating leases.

15 Pension scheme

The pension cost in respect of the defined contribution scheme is £7,619 (2012: £7,911).

16 Reconciliation of movement in shareholders' funds

	2013 £'000	2012 £'000
Opening shareholders' funds	1,231	214
Profit for the financial year	1,324	1,017
Closing shareholders' funds	2,555	1,231

17 Related party disclosures

Energetics Electricity Limited contracted with Energetics Design and Build Limited, a fellow subsidiary of Energetics Networked Energy Limited, during the year.

Asset purchases from Energetics Design & Build Limited amounted to £16,478,000 (2012: £11,310,000) while customer contributions collected by Energetics Design & Build Limited on behalf of Energetics Electricity Limited totalled £12,489,000 (2012: £7,290,000).

Subsequent to the financing transaction with MacQuarie Bank, the company had drawn down £6,300,000 by the balance sheet date and offset this with £365,000 of deferred arrangement fees as disclosed in note 9. This amount remains outstanding at the balance sheet date.

The former shareholders of Energetics Electricity Limited (prior to the Company becoming a wholly owned subsidiary of Energetics Networked Energy Limited), who are also the shareholders of Energetics Networked Energy Limited, are also shareholders in Bishop Loch (Gartloch) Limited.

Energetics Electricity Limited had a £150,000 loan from Bishop Loch (Gartloch) Limited at the previous balance sheet date but this was repaid on 9 August 2013. The loan was unsecured and had no fixed date of repayment. The loan was in relation to a working capital provision.

Notes *(continued)*

18 Financial commitments

The company is required to maintain an Escrow Account as part of its regulatory licence for the purpose of holding six months operating costs and one month of upstream Use of System (UoS) charges. This licence condition is updated every six months (January and July) and will be in place until such times as the company achieves an investment grade credit rating or the regulator introduces any changes.

The amount held in Escrow at the year end was £379,723 (2012: £242,200). This amount is included in 'Cash in bank and at hand'.

19 Going concern

The company reported a profit after tax for the year ended 31 December 2013 of £1,557,000 (2012: £1,017,000). At the balance sheet date the company's assets exceeded its liabilities by £2,788,000 (2012: £1,231,000) however it had net current liabilities of £6,722,000 (2012: £10,743,000). The net current liabilities and overall net assets arise due to intercompany amounts payable to Energetics Design & Build Limited in respect of the element of network construction costs not funded by the third party customer contributions. These amounts are essentially recovered by the company through the future regulated revenue streams derived from those assets. The company meets its day to day working capital requirements through prudent cash management.

The company has continued to achieve growth post year-end as Energetics Design & Build Limited complete more electricity network connections in the housing sector and increases megawatt load from contracts won in the industrial and commercial sectors. These new electricity connections contribute new regulated revenue streams for the company.

The directors believe that it is appropriate for the financial statements to be prepared on a going concern basis due to the additional funding facilities secured as detailed in the directors' report and shown in note 9 allowing the debts of the business to be paid as they fall due.

20 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Energetics Networked Energy Limited.

Energetics Networked Energy Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2013. The consolidated financial statements of Energetics Networked Energy limited are available from International House, Stanley Boulevard, Glasgow, G72 0BN, United Kingdom.

From 9 August 2013 the Directors regard Energetics Topco Limited, a company registered in Scotland, as the company's ultimate parent company. The directors hold the view that there is no ultimate controlling party as no individual shareholder can exercise sole control over that company.