ANNUAL REPORT

31 MARCH 2021

Annual Report & Consolidated Financial Statements **2021**

ENERGIA GROUP LIMITED
www.energiagroup.com

CONTENTS

KEY FACTS & FIGURES

Underlying Business Results[1]

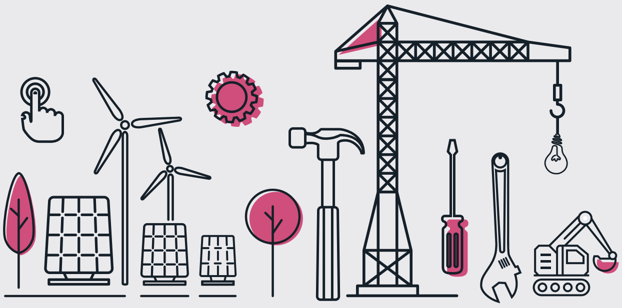
Group Pro-Forma EBITDA

Group Pro-Forma EBITDA	2021 €m	2020 €m
Renewables	66.9	66.9
Flexible Generation	61.7	45.8
Customer Solutions	65.5	51.4
	194.1	164.1

€m
194.1

€m
39.5

Capital expenditure
(2020 - €66.4m)

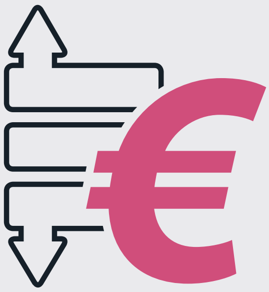


IFRS Results[2]

€m
1,899.1

Revenue
(2020 - €1,905.8m)

€m
178.7



Operating profit
(2020 - €102.9m)

[1] Based on regulated entitlement and before exceptional items and certain remeasurements as outlined in note 4.
[2] Before exceptional items and certain remeasurements.

Operational Facts

916

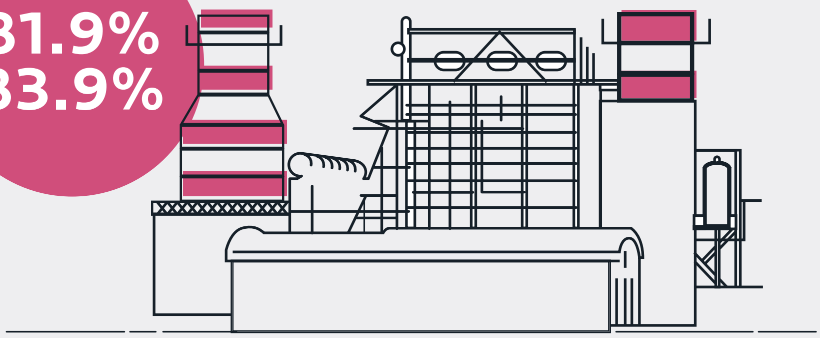
Employee numbers
(2020 - 848)

MW
309

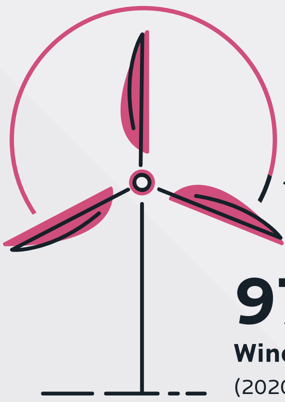
Wind generation assets operational at March 31 2021

(2020 - 277MW)

81.9%
83.9%



Huntstown CCGT asset availability
(2020 - 84.7% / 90.7%)

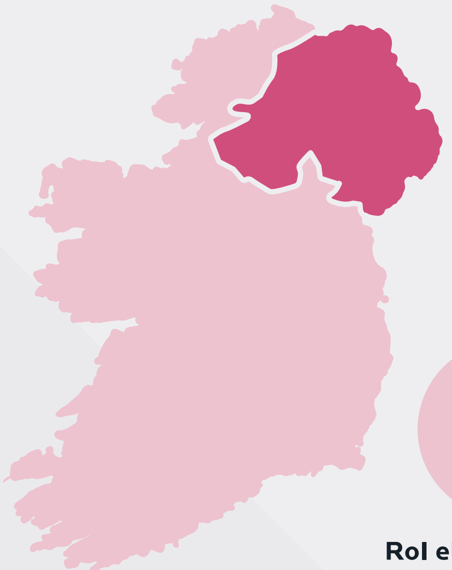


97.8%
Wind asset availability
(2020 - 98.0%)

TWh
3.0

NI electricity sales
(2020 - 3.4TWh)

729,500
Residential customer sites supplied
(2020 - 669,000)



TWh
4.3

RoI electricity sales
(2020 - 4.3TWh)

STRATEGIC & DIRECTOR'S REPORT

STRATEGIC AND DIRECTOR'S REPORT

OPERATING REVIEW

All references in this document to 'Group' denote Energia Group Limited and its subsidiary undertakings and to 'Company' denote Energia Group Limited, the parent company. The principal activity of the Company is that of a holding company.

Business Model and Principal Activities

The Group is a leading integrated Irish energy business with substantial businesses in both Ireland (Republic of Ireland or RoI) and Northern Ireland (NI). The Group primarily operates through three business units:

- Renewables;
- Flexible Generation; and
- Customer Solutions.

The Renewables business owns and operates 309MW of wind assets and purchases electricity from 1,284MW of renewable generation capacity throughout Ireland. In addition, the Renewables business is currently constructing a 4.0MW bioenergy plant in Dublin.

The Flexible Generation business owns and operates 747MW of conventional generation assets in the RoI and procures power under contract with 600MW of conventional generation assets in NI.

The Customer Solutions business supplies electricity and gas to 330,000 customer sites in the RoI and 493,900 customer sites in NI through its two retail brands, Energia and Power NI.

Strategy

The island of Ireland, like the wider global energy sector, is undergoing a transformation, driven by the need to meet climate change targets and the effects of technological change. Decarbonisation is already an imperative; and the consequential electrification of large sectors of the economy, such as transport and heating are becoming policy priorities.

As the Group is a leading energy utility on the island of Ireland in each of its Renewables, Flexible Generation and Customer Solutions businesses, it has an important role to play in the energy transition the island of Ireland must go through in the next decade. The Group has put itself in a strong position to benefit from these changes. Accordingly, the Group's strategy remains focused on continuing its evolution as a modern, technologically sophisticated, customer centric, energy business with a strong emphasis on renewable technology and on providing innovative energy-related solutions and services that meet its customers' needs. Management continues to focus on four strategic objectives which underpin the Group's strategy:

- build on and diversify the increasing platform of renewable assets to accelerate low carbon growth and increase earnings;
- grow our profitable customer base and focus on customer retention through technological advances with enhanced and differentiated product offerings, while looking for opportunities to increase, diversify and enhance the quality of our customer relationships. Ways in which the Group can assist our customers' aspiration to decarbonise will be a central aspect of our strategy;
- profitably develop, operate and grow our portfolio of flexible generation assets in a manner that supports the Group's renewable asset portfolio, enhances our product offering to customers and provides the grid services needed as Ireland transitions to a carbon neutral economy; and
- support the predictability of the Group's underlying earnings and stable cash flows through the diversity of contracted and regulated revenue streams. Earnings will be further underpinned by exploiting the complementarity of our operations in each of our business units through trading and balancing our portfolio of renewable and conventional generation with the demand from customers, employing industry leading technology and data management.

In line with the Group's commitment to exploit the opportunities presented by technological advances relevant to its business, a Group-wide hub is in operation for collaboration on initiatives in innovation; and further to underpin delivery of the Group's strategic objectives, the Group has an extensive and experienced corporate development team.

The Group continues to implement its Positive Energy investment programme across a range of major renewable energy projects including onshore and offshore wind farms, solar power, hydrogen fuel generation, bioenergy facilities and the smart grid.

The Positive Energy programme is aligned with the Government of Ireland's commitment to increase the amount of electricity generated from renewable sources to 70% by 2030 and the Group anticipates that this new investment will add up to 1.5 Gigawatts of renewable generation to the grid over a 10-year horizon. This will contribute to further sustainability in Ireland's energy supply and to the achievement of Ireland's climate change reduction targets.

COVID-19

The Group's businesses and dedicated teams have proved to be resilient in meeting the challenges of operating during the COVID-19 pandemic. While the Group experienced a reduction in demand for electricity in the Integrated Single Electricity Market (I-SEM) market in the First Quarter 2021, this has since recovered to levels broadly consistent with pre-pandemic demand. The Group's priority continues to be, the health & safety of its staff and customers and ensuring that consumers continue to have access to energy and essential services.

Operational performance was at consistently high levels throughout the year, while at the same time we were able to offer increased support to our customers and the communities in which we operate. The Board acknowledges the tremendous response and commitment of staff in ensuring that the Group was in a position to deliver this performance despite the challenges presented by the COVID-19 pandemic.

The Group's financial performance remained strong throughout the year despite the COVID-19 related restrictions in Ireland and NI. Notwithstanding the financial performance for the past year, uncertainty remains over the potential future impact of COVID-19 related factors on the Group's businesses and the delivery of its development projects. Management remains vigilant and continues to monitor and assess developments and the potential future impact of the pandemic on the Group's businesses.

The Group has strong liquidity at 31 March 2021 (with €178.6m cash and cash equivalents excluding project finance cash) and has undrawn committed revolving credit facilities of €109.2m and is therefore well positioned to manage the potential future impact of COVID-19.

Management Team

The management team is responsible for the delivery of the agreed strategy through the operational management of the Group's businesses. Biographies for the management team are provided in the section entitled "Management Team, Ownership and Directorship".

Key Performance Indicators

The Group has determined that the following key performance indicators (KPIs), covering both financial and operational performance, are the most effective measures of progress towards achieving the Group's objectives.

Financial KPIs

The financial KPIs are:

- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA);
- Capital expenditure; and
- Net debt.

The EBITDA KPI is pro-forma EBITDA which is based on regulated entitlement and before exceptional items and certain remeasurements as outlined in note 4.

Commentary on the financial KPIs is set out in the Group Financial Performance section below and within the relevant Business Review.

Operational KPIs

The operational KPIs are:

Renewables

- the average annual and year end capacity (MW) of wind generation in operation in the RoI and NI;
- availability (the percentage of time wind generation assets are available to produce full output);
- wind factor (the indicative net output of the available wind generation assets after dispatch losses); and
- the average annual and year end capacity (MW) of contracted renewable generation in operation in the RoI and NI.

Flexible Generation

- generation plant availability (the percentage of time Huntstown CCGTs are available to produce full output);
- generation plant unconstrained utilisation (the indicative dispatch of the available Huntstown CCGTs assuming no constraints i.e. restrictions imposed by the Single Electricity Market Operator (SEMO) on the availability of the Huntstown CCGTs to dispatch electricity or physical limitations of dispatching such electricity); and
- generation plant incremental impact of constrained utilisation (the actual dispatch of the available Huntstown CCGTs assuming constraints imposed by SEMO).

Customer Solutions

- residential and non-residential customer sites in the RoI and NI;
- the volume of electricity sales (TWh) in the RoI and NI;
- the volume of gas sales (million therms) in the RoI; and
- the number of complaints which the Commission for Regulation of Utilities (CRU) and the Consumer Council for NI (CCNI) (Stage 2 complaints) takes up on behalf of customers.

Operational KPIs and commentary on business performance are set out in the relevant Business Review.

The Group also regards the lost time incident rate (LTIR) as a KPI in respect of employee safety; details are set out in the Responsible Business Report.

Group financial performance

The Group's financial KPIs are shown below:

	2021 €m	2020 €m
Pro-forma EBITDA[1]	194.1	164.1
Net capital expenditure	39.5	66.4
Net debt[2]	744.8	714.3

[1] As shown in note 4 to the accounts
[2] As shown in the 'Summary of Financial Performance'

Total Group pro-forma EBITDA increased to €194.1m (2020 - €164.1m) primarily reflecting an increase in the Flexible Generation and Customer Solutions businesses as discussed further below.

Net capital expenditure in respect of tangible fixed assets and intangible software assets decreased to €39.5m (2020 - €66.4m) primarily reflecting a decrease in capital expenditure across all business segments as discussed further below.

The Group's net debt increased to €744.8m (2020 - €714.3m).

BUSINESS REVIEWS

Renewables

Overview

The Group owns and operates a generation portfolio comprising onshore wind assets across the RoI and NI. In addition, the Group is in the advanced stages of constructing a 4MW bioenergy plant in the RoI as well as developing a further pipeline of wind, bioenergy and solar projects across Ireland.

The Group also purchases electricity under long-term off-take Power Purchase Agreement (PPA) contracts with third party renewable generators and the Group's owned renewable assets through its Customer Solutions businesses.

Financial performance

The Renewables financial KPIs are shown below:

	2021 €m	2020 €m
EBITDA[1]	66.9	66.9
Net capital expenditure	17.2	28.6

[1] Based on regulated entitlement and before exceptional items and certain remeasurements as outlined in note 4.

Renewables EBITDA was €66.9m (2020 - €66.9m) with higher wind generation assets EBITDA (reflecting additional capacity from the commissioning of the Derrysallagh wind farm in July 2020 and higher market prices (including Renewable Obligation Certificate (ROC) prices) partly offset by lower wind factors) offset by increased costs of development projects.

Net capital expenditure decreased to €17.2m (2020 - €28.6m) primarily reflecting lower expenditure in respect of the bioenergy assets and the Derrysallagh wind farm commissioned during the year.

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Operational performance

KPIs	2021	2020
Wind generation assets owned Wind generation capacity in operation in the RoI and NI		
- average during the year (MW)	300	277
- at 31 March (MW)	309	277
Availability (%)	97.8	98.0
Wind factor (%)[1]	26.3	27.7
Renewable PPA portfolio Contracted renewable generation capacity in operation in the RoI and NI		
- average during the year (MW)	1,286	1,272
- at 31 March (MW)	1,284	1,268

Onshore operational wind generation assets

The Group owns onshore wind farm assets across the RoI and NI. The average onshore wind generation capacity in operation during the year ended 31 March 2021 was 300MW (2020 - 277MW) and at 31 March 2021, total generation capacity was 309MW (2020 - 277MW). This comprised 136MW (2020 - 104MW) of operating onshore wind generation capacity in the RoI and 173MW (2020 - 173MW) of operating onshore wind generation capacity in NI.

Renewable assets availability was 97.8% (2020 - 98.0%) with a wind factor of 26.3% (2020 - 27.7%).

Distributions of €8.1m were made in the year ended 31 March 2021 (2020 - €11.0m) from wholly owned onshore wind generation assets.

[1] Wind factor reflects net capacity factor after dispatch losses. The prior year comparative has been restated to align to this.

Renewable PPA portfolio

The Group's renewable PPA portfolio primarily consists of off-take contracts with third party owned wind farms (alongside wind generation assets in which the Group has an equity interest). The Group, via its Customer Solutions business, has entered into contracts with developers under which it has agreed to purchase the long-term output of a number of wind farm projects and with generators from other renewable sources (e.g. anaerobic digestion and biomass technologies).

The average contracted generation capacity in operation during the year was 1,286MW (2020 - 1,272MW) with 31 March 2021 operating capacity of 1,284MW (2020 - 1,268MW) of which the RoI operating capacity was 599MW (2020 - 586MW) and the NI operating capacity was 685MW (2020 - 682MW).

Bioenergy assets

The Group continues to develop its bioenergy assets.

The bioenergy plant at Huntstown in Dublin is a state of the art 4.0MW anaerobic digestion facility which is designed to process up to 100,000 tonnes of organic municipal waste from the Dublin region and is expected to produce up to c32GWh of green renewable electricity on an annual basis. The bioenergy plant has entered into a long-term fuel supply agreement to supply the majority of the organic waste required for the plant over 10 years at fixed prices. Construction of the plant is substantially complete however the commissioning phase continues to experience a number of delays and commercial operation date is targeted during Financial Year 2022.

Solar

The Group has two consented solar projects, Glenamoy and Darthogue, totalling 32MW in the RoI for which it has submitted planning applications to increase the scale of these projects. During the year, planning consent was received for a first phase extension to the Darthogue site for an additional 47MW of capacity.

The Group is also exploring a number of further greenfield solar development opportunities.

Hydrogen

The Group has secured Interreg and Office for Low Emission Vehicles (OLEV) grant funding for an electrolyser, to produce hydrogen from renewable electricity at the Long Mountain wind farm, and a fuelling station to be located in Belfast. During the year, delivery of hydrogen from third party suppliers commenced to enable commissioning of Translink's buses however delivery of the electrolyser and fuelling station has been delayed. Commissioning of a temporary electrolyser and the fuelling station is targeted for First Half 2022.

Onshore wind development assets

On 16 April 2020 the Group completed the acquisition of XMR Energy Limited (Crossmore), a 15MW wind farm development project in County Clare, RoI. In April 2021 planning consent was received in order to increase the capacity of the project to 25MW. Further information is outlined in note 15 to the accounts.

On 27 May 2021, the Group completed the acquisition of Drumlins Park Limited (Drumlin), a 49MW wind farm development project in County Monaghan.

Planning approval for the overhead line connection to the Coolberrin wind farm had been over-ruled by An Bord Pleanála (the independent body that decides on appeals on planning decisions in the RoI). The Group legally challenged the refusal of planning permission for the overhead line connection and An Bord Pleanála have since conceded and consented to an order of the court quashing the decision to refuse planning permission. The matter has been returned to An Bord Pleanála for decision which is expected later in 2021.

The Group continues to progress the development of its onshore wind pipeline projects (242MW) and expects to enter into Corporate PPAs for such development projects.

Offshore wind

The Group has applied to the Department of Housing, Planning and Local Government (DHPLG) for foreshore licences which give permission to carry out preliminary surveys to investigate the feasibility of offshore wind generation at sites in the North Celtic Sea and the South Irish Sea. The applications were submitted in August 2019 and October 2019 respectively and public consultations have been completed. In October 2020 the DHPLG introduced a prioritisation process for the consideration of foreshore licence applications. The Group is legally challenging the decision by the Minister to establish this priority order for foreshore licences and in January 2021 leave was granted to judicially review this decision. The hearing has been listed to take place in July 2021.

Outlook

The Group is in the final stages of construction and commissioning of its 4MW bioenergy plant in Dublin. Development is ongoing for the Group's pipeline of wind and solar projects across Ireland together with the proposed bioenergy plant at Giant's Park in Belfast.

The table below summarises the current portfolio of renewable projects excluding offshore wind and hydrogen production:

MW	Operating	Under Construction	In Development	Total
Onshore wind generation assets				
- NI	173	-	52	**225**
- RoI	136	-	190	**326**
	309	**-**	**242**	**551**
Bioenergy Assets				
- NI	-	-	4	**4**
- RoI	-	4	-	**4**
	-	**4**	**4**	**8**
Solar				
- RoI	**-**	**-**	**79**	**79**
	309	**4**	**325**	**638**

The Group continues to assess a number of other opportunities to acquire and develop further renewable development projects.

Flexible Generation

Overview

The Group owns and operates two CCGT plants at the Huntstown site in north Dublin. Huntstown 1, a 343MW CCGT plant was commissioned in November 2002 and Huntstown 2, a 404MW CCGT plant adjacent to Huntstown 1, was commissioned in October 2007.

In addition, the Group's Power Procurement Business (PPB) administers 600MW of contracted generation capacity from the Ballylumford power station in NI. This legacy contract runs to September 2023 and is cancellable by the Utility Regulator (UR) with six months' notice.

Financial performance

	2021 €m	2020 €m
EBITDA[1]	61.7	45.8
Net capital expenditure	7.2	17.2

[1] Based on regulated entitlement and before exceptional items and certain remeasurements as outlined in note 4.

EBITDA increased to €61.7m (2020 - €45.8m) primarily reflecting higher utilisation for Huntstown 2 (prior to the unavailability of the plant from 29 January 2021 as detailed below), favourable reassessment of I-SEM provisions (reflecting a number of market fixes implemented during the year and additional resettlement experience), increased contribution from PPB (reflecting higher gain share and lower operating costs (associated with the recovery of ISEM costs)) and favourable revaluation of distillate stock (reflecting higher oil prices), partly offset by lower availability of both Huntstown plants and higher maintenance costs (associated with the major outages in both Huntstown plants during the year).

Net capital expenditure decreased to €7.2m (2020 - €17.2m) primarily due to lower capital expenditure for the Huntstown plants partly offset by increased capital expenditure in relation to the storage development projects.

Operational performance

KPIs	2021	2020
Huntstown CCGTs Availability (%)		
- Huntstown 1	81.9	84.7
- Huntstown 2	83.9	90.7
Unconstrained utilisation (%)		
- Huntstown 1	68.4	73.4
- Huntstown 2	54.7	2.2
Incremental impact of constrained utilisation (%)		
- Huntstown 1	(2.6)	(9.9)
- Huntstown 2	(6.2)	36.9

Huntstown 1 availability was 81.9% (2020 - 84.7%) reflecting a 57 day planned major outage which commenced in October 2020 and was successfully completed in December 2020.

Huntstown 2 availability was 83.9% (2020 - 90.7%) primarily reflecting the plant being on outage since 29 January 2021 as detailed below.

Huntstown 1 unconstrained utilisation was 68.4% (2020 - 73.4%). Huntstown 2 unconstrained utilisation was 54.7% (2020 - 2.2%).

The incremental impact of constrained utilisation for Huntstown 1 was 2.6% constrained off (2020 - 9.9%). The incremental impact of constrained utilisation for Huntstown 2 was 6.2% constrained off (2020 - 36.9% constrained on).

On 29 January 2021, a fault was identified on the Huntstown 2 main generator transformer which has resulted in the plant not being available to the market. Following review of a number of options, it has been determined that a new transformer is the most economic option to return the plant to service.

A replacement transformer has been ordered and, subject to delivery schedules being maintained, it is targeted to compete the installation of the new transformer and return the plant to service by the end of Third Quarter 2022. A claim for property damage and business interruption has been notified to the Group's insurers and is currently being progressed with loss adjusters.

In March 2021, a 45 day planned outage at Huntstown 2 was also undertaken however due to the generator transformer fault, it was not possible to complete some final commissioning procedures associated with this planned outage, these will now be undertaken immediately following the installation of the replacement generator transformer.

Capacity auctions

The Huntstown plants both have Local Reserve Service Agreements (LRSA) in place to 30 September 2022. The plants also continue to bid into the competitive capacity auctions. The reliability options awarded to the Huntstown plants for the next four capacity years is summarised as follows:

			Reliability Option Awarded	
Capacity Year	**Auction**	**Clearing Price**	**Huntstown 1**	**Huntstown 2**
2021/22	T-2 (Dec 19)	€45,950/MW	✓	✓
2022/23	T-4 (Mar 19)	€46,150/MW	×	✓
2023/24	T-4 (Apr 20)	€46,149/MW	✓	✓
2024/25	T-4 (Jan 21)	€47,820/MW	✓	✓

Although Huntstown 1 does not have a reliability option for the 2022/23 capacity year it has the opportunity to participate in the T-1 auction in respect of this capacity year which is scheduled to be held in October 2021.

The T-4 auction for the 2023/24 capacity year was held in April 2020. On 5 June 2020, SEMO published final results which confirmed that both Huntstown plants had been awarded reliability options in the T-4 capacity auction for the 2023/24 capacity year. The auction clearing price was €46,149/MW.

The T-4 auction for the 2024/25 capacity year was held in January 2021. On 12 March 2021, SEMO published final results which confirmed that both Huntstown plants had been awarded reliability options in the T-4 capacity auction for the 2024/25 capacity year. The auction clearing price was €47,820/MW.

On 22 December 2020 SEMO confirmed that it will run a T-1 auction in October 2021 for the 2022/23 capacity year. The Auction Information Pack was published in April 2021. Huntstown 1 does not yet have a reliability option for the 2022/23 capacity year and is expected to participate in this upcoming auction.

On 22 December 2020 SEMO confirmed that it will run a T-1 auction in October 2021 for the 2022/23 capacity year. The Auction Information Pack was published in April 2021. Huntstown 1 does not yet have a reliability option for the 2022/23 capacity year and is expected to participate in this upcoming auction.

Data centre

The Group is in preliminary stages of developing a data centre at its Huntstown campus in Dublin adjacent to the CCGT plants.

Storage

During the year the Group progressed two of its battery storage projects, a 50MW project in Belfast and a 10MW project at its Huntstown site in Dublin. Both projects have planning permission and were granted reliability options in the T-4 capacity auction for the 2023/24 capacity year. In March 2021 a grid connection offer was accepted for the 50MW project in Belfast and it is expected that the Group will enter into an EPC contract and commence construction in First Quarter 2022.

Outlook

The Group continues to assess a number of flexible generation, energy storage and behind the meter projects in line with its strategy to grow the business in a manner which supports its renewable asset portfolio and product offerings to customers.

Customer Solutions

Overview

The Group's Customer Solutions business operates under the Energia and Power NI brands.

Energia supplies electricity and natural gas to business and residential customers in the RoI.

Power NI is the regulated electricity supplier in NI and supplies electricity to business and residential customers.

Financial performance

	2021 €m	2020 €m
EBITDA [1]	65.5	51.4
Net capital expenditure	15.1	20.6

[1] Based on regulated entitlement and before exceptional items and certain remeasurements as outlined in note 4.

EBITDA increased to €65.5m (2020 - €51.4m) primarily reflecting lower operating costs (due to lower bad debt costs with 2020 impacted with incremental expected credit loss provisions in respect of COVID-19) and higher Energia electricity margins partly offset by lower gas margins and higher Power NI regulated margins partly offset by lower deregulated margins associated with lower volumes.

Net capital expenditure decreased to €15.1m (2020 - €20.6m) primarily reflecting lower expenditure in respect of IT systems projects.

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Operational performance

KPIs	2021	2020
Customer sites (number) **RoI**		
- Residential electricity	204,200	155,700
- Residential gas	72,600	59,800
	276,800	**215,500**
- Non-residential electricity	49,400	45,300
- Non-residential gas	3,800	4,100
	53,200	**49,400**
Total RoI	**330,000**	**264,900**
NI		
- Residential electricity	452,700	453,500
- Non-residential electricity	41,200	44,400
Total NI	**493,900**	**497,900**
Energy sales* **RoI**		
- Electricity sales (TWh)	4.3	4.3
- Gas sales (million therms)	93.4	95.7
NI		
- Electricity sales (TWh)	3.0	3.4
Complaints (number)		
Complaints to the CRU in the RoI	5	4
Complaints to the CCNI in NI	2	1

* Sales volumes include estimates for non-half hourly metered customers and reflect estimates for the reduction in customer usage as a result of COVID-19.

Residential electricity and gas customer sites in the RoI increased to 276,800 at 31 March 2021 (2020 - 215,500) reflecting the continued growth in these markets.

Non-residential electricity customer sites in the RoI were 49,400 at 31 March 2021 (2020 - 45,300). Non-residential gas customer sites in the RoI were 3,800 at 31 March 2021 (2020 - 4,100).

Residential customer numbers in NI were 452,700 at 31 March 2021 (2020 - 453,500). Non-residential customer numbers in NI were 41,200 at 31 March 2021 (2020 - 44,400).

Total electricity sales volumes in the RoI were 4.3TWh (2020 - 4.3TWh) and in NI were 3.0TWh (2020 - 3.4TWh). RoI gas sales volumes were 93.4m therms (2020 - 95.7m therms).

During the year, the Group received five (2020 - four) complaints which were referred to the CRU and two (2020 - one) complaints which were referred to the CCNI. The number of complaints continues to compare favourably with best practice in Great Britain and represents best practice in the NI residential electricity supply market.

Power NI price control

On 16 April 2020 the UR confirmed its intention to extend Power NI's current price control by a further two years from 1 April 2021 to 31 March 2023 and subsequently published the licence modifications to give effect to the extension.

Tariffs and wholesale prices

For the majority of Nine Months 2021 wholesale electricity and commodity prices had been relatively stable however in Fourth Quarter 2021 wholesale prices increased significantly. As a result both Energia and Power NI announced tariff increases as a result of these higher wholesale costs.

On 5 March 2021 Energia announced residential tariff increases of 8.6% for electricity, 5.7% for gas and 7.4% for dual fuel customers effective from 5 April 2021. On 14 May 2021 Power NI announced a 6.9% increase to its residential electricity tariff. The Power NI tariff increase, agreed with the UR, is effective from 1 July 2021.

Both Energia and Power NI continue to monitor wholesale prices, including the impact on wholesale electricity prices as a result of the current long-term outages of the Huntstown 2 and Whitegate generation plants.

Customer Solutions Positive Energy Programme

As part of the Positive Energy Programme, Customer Solutions continues to build new capabilities and products that will allow customers to transform how they use and generate energy in a way that has a positive and sustainable impact on the environment. Its emerging eco-system of intelligent, connected and customer focused technologies gives customers control over how they buy, use and generate their energy.

Customer engagement and experience

Digitalisation continues to be a priority and during the year the Group continued to progress a range of innovations both to enhance customer experience and improve business effectiveness. An enhanced digital platform has been developed, based upon Microsoft Azure, which enables faster deployment of new digital products and services.

On 15 February 2021, Energia successfully implemented changes to its billing and engagement systems to facilitate the rollout of new time of use tariffs and smart services to its customers. This will allow customers to fully engage with the energy market as new products emerge. The smart meter project was part of the National Smart Metering Programme in the RoI coordinated by the CRU and which will see traditional analogue meters in customer premises being replaced with modern smart meters. ESB Networks commenced the replacement of meters in Autumn 2019 and will continue to replace 500,000 meters per annum until 2024.

Customer Engagement continues to be developed through a series of new and developing products.

These products include:

- Smart Home Store featuring product and installation services for Google and Netatmo smart thermostats and doorbells, domestic EV charge points, and home security systems;
- Keypad Plus is a new bluetooth enabled meter top up system being trialled in our NI residential prepayment market; and
- Real time data solution products have been developed for both residential and commercial markets. PowerBot is a pre smart meter data solution. This allows customer access real time insights via an interactive app and self-installed equipment. In the commercial sector Energia has launched Connect 360, an Internet of Things (IOT) data-driven energy and environmental monitoring solution. Self-installed wireless hardware measures previously unmeasured areas of underperformance and inefficiency, which can be viewed easily within a personalised portal.

Many of these new products will enhance the Customer Solutions' platforms which allow customers to view bills, make payments, enter meter readings and self-serve. The project to enhance our Energy Online customer experience won the Digital Innovation Of The Year at the Digital DNA Awards 2020.

Prosumer and energy efficiency

In meeting its energy efficiency obligation commitments, the Group continues to facilitate the installation of a range of energy saving measures across the RoI and NI including programmes for homes and innovative solutions for businesses.

In March 2021, Energia launched CU Greener Homes in partnership with the Irish League of Credit Unions, and House to Home. This partnership provides a one stop shop for RoI residential customers to achieve energy efficiency retro fit solutions.

During the year, Energia commenced offering solar and residential battery storage packages to customers which are complemented by a microgeneration tariff to enable customers to be paid for electricity exported to the grid. Working with UK based battery and platform provider, Moixa and supported by Eirgrid, Energia also ran a successful trial to demonstrate the ability of an aggregated fleet of residential storage batteries to provide grid services.

This year, Power NI partnered with Ulster University and Northern Ireland Housing Executive (NIHE) on a collaborative project called Rural-Led Energy Transition (RULET). The project aims to ensure social housing is included in the transition to clean, smart integrated energy systems. The trial explores the use of hybrid heat pumps and thermal storage technology (heat batteries) as viable options utilising wind energy that would otherwise be curtailed.

In the commercial sector, Energia's new Lighting as a Service Programme enabled business customers to 'pay' the capital cost of installing LED lighting through the savings in their electricity costs.

E-mobility

With both RoI and UK Governments committing to a transition to electric vehicles, work continues to progress in relation to retail customer offerings and innovative public charging solutions.

Within Customer Solutions, new EV tariffs and ChargePoint installation Bundles has been rolled out to customers and digital solutions for energy charge optimisation and engagement features continue to be developed.

This year Energia also developed partnerships with Opel, MG and Hyundai and a number of other car dealerships in the RoI. The partnership provides Energia with a supply and a charge point installation opportunity.

In partnership with Char.gy, Energia is trailing EV lamp post charging infrastructure with a number of county councils in RoI.

Power NI is also supporting the development of a zero-emissions hydrofoil ferry between Belfast and Bangor as part of the Belfast Maritime Consortium led by Artemis Technologies.

Outlook

The Group remains focused on providing customer centric digital solutions which will allow customers to use and produce renewable energy and participate in markets in the emerging new energy transition environment.

SUMMARY OF FINANCIAL PERFORMANCE

SUMMARY OF FINANCIAL PERFORMANCE

Revenue

Revenue from continuing operations decreased to €1,899.1m (2020 - €1,905.8m). The breakdown by business is as follows:

Year to 31 March	2021 €m	2020 €m
Renewables	237.9	255.1
Flexible Generation (based on regulated entitlement)	377.6	372.0
Customer Solutions (based on regulated entitlement)	1,254.7	1,294.1
Adjustment for over/(under) - recovery	34.4	(6.9)
Inter business elimination	(5.5)	(8.5)
Total revenue from continuing operations	**1,899.1**	**1,905.8**

Revenue from the Renewables business decreased to €237.9m (2020 - €255.1m) primarily reflecting lower ROC sales volumes and lower output, partly offset by higher revenue from the commissioning of the Derrysallagh wind farm (July 2020) and higher market prices including ROC prices.

Flexible Generation revenue increased to €377.6m (2020 - €372.0m) primarily reflecting higher utilisation and market prices for Huntstown 2, favourable reassessment of I-SEM market resettlement provisions (reflecting a number of market system fixes implemented and additional resettlement experience), partly offset by lower revenues for PPB (due to lower utilisation of the Ballylumford plant partly offset by a lower Public Service Obligation (PSO) rebate) and lower availability of both Huntstown plants (due to the major outages detailed above).

Customer Solutions revenue decreased to €1,254.7m (2020 - €1,294.1m) primarily due to lower non-residential revenue (reflecting lower electricity and gas sales volumes, partly offset by higher market prices), partly offset by higher residential revenue (reflecting higher customer numbers and volumes, partly offset by lower sales prices reflecting tariff reductions during the year).

During the year the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €34.4m (2020 - €6.9m under-recovery) and at 31 March 2021 the cumulative over-recovery against regulated entitlement was €29.3m. The over / (under)-recovery of regulated entitlement reflects the phasing of tariffs.

Operating costs

Operating costs (pre-exceptional items and certain remeasurements and excluding depreciation) decreased to €1,670.6m (2020 - €1,748.6m). The breakdown is as follows:

Year to 31 March	2021 €m	2020 €m
Energy costs	1,539.5	1,612.6
Employee costs	46.5	43.8
Other operating charges	84.6	92.2
Total pre-exceptional items and certain remeasurements	**1,670.6**	**1,748.6**

Energy costs decreased to €1,539.5m (2020 - €1,612.6m) primarily reflecting lower non-residential sales volumes, lower utilisation of the Ballylumford plant, lower ROC costs associated with lower sales volumes for the Renewable PPAs, lower availability of the Huntstown plants and favourable distillate revaluation for the Huntstown plants, partly offset by higher residential sales volumes and higher utilisation of Huntstown 2.

Employee costs increased to €46.5m (2020 - €43.8m) reflecting an increase in staff numbers associated with the underlying growth of the Group's businesses including future development projects being undertaken.

Other operating charges decreased to €84.6m (2020 - €92.2m) primarily reflecting lower bad debt costs (with 2020 impacted with incremental expected credit loss provisions in respect of COVID-19), lower PPB operating costs reflecting recovery of I-SEM costs and lower marketing costs partly offset by higher maintenance costs for the Huntstown plants (associated with the major outages) and higher operating costs for the Renewables businesses with increased costs of development projects.

Group EBITDA

The following table shows the Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) by business:

Year to 31 March	2021 €m	2020 €m
Renewables	66.9	66.9
Flexible Generation	61.7	45.8
Customer Solutions	65.5	51.4
Group pro-forma EBITDA	**194.1**	**164.1**
Over / (under)-recovery of regulated entitlement	34.4	(6.9)
EBITDA	**228.5**	**157.2**

All of the above amounts are pre-exceptional items and certain remeasurements as shown in note 4 to the accounts

Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) increased to €194.1m (2020 - €164.1m) primarily reflecting an increase in the Flexible Generation and Customer Solutions businesses.

Renewables EBITDA was €66.9m (2020 - €66.9m) with higher wind generation assets EBITDA (reflecting additional capacity from the commissioning of the Derrysallagh wind farm in July 2020 and higher market prices (including ROC prices), partly offset by lower wind factors) offset by increased costs of development projects.

Flexible Generation EBITDA increased to €61.7m (2020 - €45.8m) primarily reflecting higher utilisation for the Huntstown 2 plant (prior to the unavailability of the plant from 29 January 2021 as detailed previously), favourable reassessment of I-SEM provisions (reflecting a number of market fixes implemented during the year and additional resettlement experience), increased contribution from PPB (reflecting higher gain share and lower operating costs) and favourable revaluation of distillate stock (reflecting higher oil prices) partly offset by lower availability of both Huntstown plants and higher maintenance costs (associated with the major outages in both Huntstown plants during the year).

Customer Solutions EBITDA increased to €65.5m (2020 - €51.4m) primarily reflecting lower operating costs (due to lower bad debt costs with 2020 impacted with incremental expected credit loss provisions in respect of COVID-19) and higher Energia electricity margins partly offset by lower gas margins and higher Power NI regulated margins partly offset by lower deregulated margins associated with lower volumes.

Depreciation and amortisation

The Group's depreciation and amortisation by business is summarised as follows:

Year to 31 March	**2021 €m**	2020 €m
Renewables	28.0	25.2
Flexible Generation	8.9	15.5
Customer Solutions	12.9	13.6
Total depreciation and amortisation	**49.8**	**54.3**

Depreciation and amortisation decreased to €49.8m (2020 - €54.3m) primarily reflecting lower depreciation in the Flexible Generation and Customer Solutions businesses partly offset by higher depreciation in the Renewables business (associated with the commissioning of the Derrysallagh wind farm during the year).

Group pro-forma operating profit

The Group's pro-forma operating profit by business is summarised as follows:

Year to 31 March	**2021 €m**	2020 €m
Renewables	38.9	41.7
Flexible Generation	52.8	30.3
Customer Solutions	52.6	37.8
Total Operating Profit	**144.3**	**109.8**

Group pro-forma operating profit (pre-exceptional items and certain remeasurements) increased to €144.3m (2020 - €109.8m) primarily reflecting a higher operating profit in the Flexible Generation and Customer Solutions businesses, partly offset by a lower operating profit for the Renewables business.

Exceptional items and certain remeasurements

Exceptional items and certain remeasurements were a €7.3m credit (2020 - €0.8m). The breakdown by business is as follows:

Year to 31 March	2021 €m	2020 €m
Renewables	0.2	(0.8)
Flexible Generation	0.1	(0.1)
Customer Solutions	7.0	1.7
Total Exceptional Items and Certain Remeasurements	**7.3**	**0.8**

Exceptional items in the Renewables business were a €0.2m credit (2020 - €0.8m cost) reflecting a fair value adjustment to contingent consideration of €1.5m (2020 - €0.4m), partly offset by certain remeasurements relating to the recognition of the fair value of derivatives of €0.9m (2020 - nil) and exceptional acquisition costs of €0.4m (2020 - €0.4m).

Exceptional items in the Flexible Generation business were a €0.1m credit (2020 - €0.1m cost) reflecting exceptional acquisition costs.

Exceptional items in the Customer Solutions business were a €7.0m credit (2020 - €1.7m) reflecting certain remeasurements relating to the recognition of the fair value of derivatives.

Further information is outlined in note 7 to the accounts.

Net finance costs

Net finance costs (pre-exceptional items and certain remeasurements) increased from €39.6m to €50.0m primarily reflecting the impact of foreign exchange movements in the period compared to the same period last year.

Tax charge

The total tax charge (pre-exceptional items and certain remeasurements) was €17.5m (2020 - €6.5m). A detailed analysis of the tax charge is outlined in note 11 to the accounts.

Cash flow before acquisitions, disposals, interest and tax

Group cash flow before acquisitions, disposals, interest and tax of continuing operations is summarised as follows:

Year to 31 March	2021 €m	2020 €m
Group pro-forma EBITDA[1]	194.1	164.1
Defined benefit pension charge less contributions paid	(1.6)	(1.4)
Net movement in security deposits	(0.2)	0.5
Changes in working capital[2]	(109.9)	27.5
Over / (under)-recovery of regulated entitlement	34.4	(6.9)
Exceptional items	(0.3)	(1.3)
Foreign exchange translation	(4.2)	4.7
Share based payment	0.1	0.1
Pro-forma cash flow from operating activities	**112.4**	**187.3**
Net capital expenditure[3]	**(39.5)**	**(66.4)**
Cash flow before acquisitions, disposals, interest and tax	**72.9**	**120.9**

[1] Includes EBITDA of unrestricted investments of €43.9m (2020 - €41.1m).

[2] Includes changes in working capital of unrestricted investments of €0.6m decrease (2020 - €0.4m). Changes in working capital equals increase in inventories €1.8m (2020 - €2.9m decrease), increase in trade and other receivables €45.0m (2020 - €1.9m), decrease in trade and other payables €47.3m (2020 - €14.5m increase) and net expenditure from the sale and purchases of other intangibles of €15.8m (2020 - €12.0m proceeds).

[3] Includes capital expenditure on unrestricted investments of €17.2m (2020 - €28.6m) and intangible asset (software and customer acquisition costs) expenditure of €13.9m (2020 - €17.5m). Net capital expenditure equals purchase of property plant and equipment €25.6m (2020 - €49.0m) and purchase of intangible assets €197.0m (2020 - €175.5m) less proceeds from sale of intangible assets €167.3m (2020 - €170.0m) and net expenditure from the sale and purchases of other intangibles of €15.8m (2020 - €12.0m proceeds).

Group cash flow from operating activities decreased to €112.4m (2020 - €187.3m) primarily reflecting an increase in working capital of €109.9m (2020 - €27.5m decrease), partly offset by an over-recovery of regulated entitlement of €34.4m (2020 - under–recovery of €6.9m) and an increase in EBITDA of €30.0m.

Net movement in security deposits

The net movement in security deposits was a €0.2m increase (2020 - €0.5m decrease). There were €11.3m of security deposits in place at 31 March 2021 (2020 - €11.1m).

Changes in working capital

Working capital increased by €109.9m (2020 - €27.5m decrease) primarily reflecting a reduction in the PSO creditor in PPB, an increase in the Renewable Energy Feed-In Tariff (REFIT) debtor for renewable PPAs, an increase in ROC assets, favourable reassessment of I-SEM market resettlement provisions and an increase in trade and other receivables (reflecting higher electricity sales volumes and prices).

Over / (under)-recovery of regulated entitlement

As noted previously the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €34.4m (2020 - €6.9m under-recovery) and at 31 March 2021 the cumulative over-recovery against regulated entitlement was €29.3m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

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Net capital expenditure

Net capital expenditure in respect of tangible fixed assets and intangible software assets decreased to €39.5m (2020 - €66.4m). The breakdown by business is as follows:

Year to 31 March	2021 €m	2020 €m
Renewables	17.2	28.6
Flexible Generation	7.2	17.2
Customer Solutions	15.1	20.6
Net Capital Expenditure	**39.5**	**66.4**

Renewables capital expenditure decreased to €17.2m (2020 - €28.6m) primarily reflecting lower expenditure in respect of the bioenergy assets and the Derrysallagh wind farm commissioned during the year.

Flexible Generation capital expenditure decreased to €7.2m (2020 - €17.2m) primarily due to lower capital expenditure for the Huntstown plants partly offset by increased capital expenditure in relation to the storage development projects.

Customer Solutions capital expenditure decreased to €15.1m (2020 - €20.6m) primarily reflecting lower expenditure in respect of IT projects.

Other cash flows

Net interest paid

Net interest paid (excluding exceptional finance costs) was €42.3m (2020 - €42.0m).

Acquisition of subsidiary undertakings

Acquisition of subsidiary undertakings of €0.1m (2020 - €57.6m) reflects the acquisition of Crossmore as discussed further in note 15.

Dividends

On 11 March 2020 the Board approved the payment of a €40.0m dividend to the parent undertaking however, shortly thereafter and in light of the evolving situation from the COVID-19 outbreak, the decision was taken to defer the payment of the dividend until such time that the impact of the outbreak on the Group's business and liquidity was clearer. This dividend of €40.0m deferred from March 2020 was paid to the parent undertaking on 1 October 2020.

Net debt

The Group's net debt is summarised in the following table:

Year to 31 March	**2021 €m**	2020 €m
Investments	1.4	1.4
Cash and cash equivalents	216.5	220.8
Senior secured notes	(607.5)	(596.3)
Project finance facilities	(353.3)	(338.0)
Interest accruals	(1.9)	(2.2)
Total net debt	**(744.8)**	**(714.3)**

The Group's net debt increased by €30.5m from €714.3m at 31 March 2020 to €744.8m at 31 March 2021 primarily reflecting higher project financed facilities, an increase in senior secured notes (associated with the weakening of the euro to sterling) and lower cash and cash equivalents. Net debt at 31 March 2021 includes project finance net debt of €315.5m (2020 - €308.2m). Excluding project financed net debt, net debt was €429.3m (2020 - €406.1m).

Defined benefit pension liability

The pension liability in the Group's defined benefit scheme under International Accounting Standard (IAS) 19 was €0.1m at 31 March 2021 (2020 - nil).

The last actuarial valuation of the Group's UK pension scheme, Energia Group NI Pension Scheme (EGNIPS) was at 31 March 2018. Under the terms of the recovery plan agreed with the trustees, the Group will make good the €7.0m funding shortfall through annual deficit repair contributions of €1.45m for six years to 31 March 2024. The third annual deficit repair contribution made under the recovery plan was paid in the year ended 31 March 2021.

The trustees of EGNIPS have commenced the next actuarial valuation of the scheme as at 31 March 2021 which is expected to conclude within 15 months of the valuation date.

Outlook and financial impact of COVID-19

As noted earlier, and notwithstanding the financial performance for the past year, some uncertainty remains over the potential future impact of COVID-19 related factors on the Group's businesses and the delivery of its development projects. The Group has strong liquidity at 31 March 2021 (with €178.6m cash and cash equivalents excluding project finance cash) and has undrawn revolving credit committed facilities of €109.2m and is therefore well positioned to manage the potential future impact of COVID-19.

Further detail on the potential impacts of COVID-19 is provided in the "Risk Management and Principal Risks and Uncertainties" section of the Annual Report.

MARKET STRUCTURE

MARKET STRUCTURE

SINGLE ELECTRICITY MARKET

The I-SEM was introduced on 1 October 2018, and was designed to integrate the all-island electricity market with European electricity markets, making optimal use of cross-border interconnectors through a single marketplace and common rules.

The trading arrangements comprise a Day Ahead Market, Intra-Day Market and Balancing Market and there is also an auction-based capacity market. The auction-based capacity mechanism awards capacity contracts and imposes reliability penalties on the holders of capacity contracts if they do not provide the contracted capacity when market prices exceed the Reliability Option Strike Price. The NI Protocol protects the continued operation of the I-SEM market post Brexit. However from 1 January 2021 the framework for electricity trading across interconnectors between Ireland and Great Britain changed and these two interconnectors are no longer able to participate in the EU single day-ahead market. New efficient electricity arrangements for EU–UK interconnectors are expected to be in place by April 2022.

The I-SEM is jointly regulated by the CRU in the RoI and the UR in NI. The decision-making body which governs the market is the SEM Committee (SEMC).

REPUBLIC OF IRELAND

Regulators

Overall policy responsibility for the energy sector lies with the Minister for Communications, Climate Action and Environment ('the Minister'). In this capacity, the Minister is advised by the Department of the Environment, Climate and Communications (DECC) and other statutory bodies including the CRU and the Sustainable Energy Authority of Ireland (SEAI).

The principal objective of CRU in carrying out its functions in relation to energy is to protect the interests of energy consumers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission or supply of electricity and the transportation and supply of natural gas. CRU has a duty to carry out its functions in a manner which does not discriminate between market participants.

Transmission & Distribution network ownership and operation

Electricity Supply Board (ESB) is the incumbent electricity utility in the RoI and its network functions are ring-fenced from its generation and supply interests. EirGrid is the independent Transmission System Operator (TSO) and also owns the East/West Interconnector.

Renewable energy

The RoI Government has a target to achieve 70% of Ireland's electricity supply to be generated from renewables by 2030.

Up until December 2019 the Government's support mechanism, REFIT, encouraged renewable generation in the RoI with suppliers and renewable energy generators entering into a PPA for a minimum of 15 years. In return for entering into the PPA, the supplier receives a supplier balancing payment equal to 15% of the base REFIT tariff for large scale wind. The supplier is also entitled to compensation if the market price of electricity falls below the REFIT tariff. The REFIT scheme is now closed.

The RoI Government has since introduced the Renewable Electricity Support Scheme (RESS) to provide support to renewable electricity projects and help deliver renewable electricity policy to 2030. The scheme design is auction-based with auctions to be held at frequent intervals throughout the lifetime of the scheme. The first auction was held in July 2020 and final auction results were confirmed on 10 September 2020. The next onshore RESS auction is now expected to be held in early 2022.

The RoI Government's Climate Action Plan published in 2019 also included a 3.5GW offshore wind target for 2030. Subsequently in 2020, the Programme for Government included an increased ambition for offshore wind to 5GW by 2030. The first offshore RESS is expected to open for prequalification in late 2021 with an auction to be held in early 2022.

NORTHERN IRELAND

Regulators

The UR and the Department for the Economy (DfE) are the principal regulators. Each is given specific powers, duties and functions under the relevant legislation.

The principal objective of both the UR and DfE in carrying out their functions in relation to electricity is to protect the interests of consumers of electricity, wherever appropriate, by promoting effective competition between those engaged in, or in commercial activities connected with, the generation, transmission or supply of electricity.

Transmission & Distribution network ownership and operation

Northern Ireland Electricity Networks owns the transmission and distribution networks in NI and the System Operator for Northern Ireland is the independent TSO.

Price controls

Power NI and PPB are subject to price controls, defined in formulae set out in Power NI Energy's licence, which limit the revenues they may earn and the prices they may charge. The principles of price regulation employed in the relevant licence conditions reflect the general duties of the UR and DfE under the relevant legislation. These include having regard to the need to ensure that licensees are able to finance their authorised activities.

If the amount of revenue recovered in any one year exceeds or falls short of the amount allowed by the relevant price control formula, a correction factor operates in the following year to give back any surplus with interest, or to recover any deficit with interest, as appropriate. A surplus is referred to as an over-recovery and a deficit as an under-recovery.

Renewable energy

The NI Assembly set a target of sourcing 40% of NI's electricity from renewable sources by 2020, as reflected in the Strategic Energy Framework 2010-2020. The Department for the Economy has begun the process of developing a new energy strategy to decarbonise the NI energy sector by 2050 at least cost to the consumer. A public consultation on policy options for a new energy strategy is underway and closes on 30 June 2021.

The United Kingdom (UK) Renewable Obligation (RO) scheme applies in NI to projects developed pre December 2018. The RO scheme is designed to incentivise the generation of electricity from renewable sources. The scheme places an obligation on suppliers to source a portion of their electricity from renewable sources. Under the RO scheme, eligible renewable generators receive ROCs for each MWh of electricity generated. ROCs are freely tradeable and can be sold to suppliers in order to fulfil their obligation. Suppliers can either present ROCs to cover their obligation or pay a buy-out fee for any shortfall. All proceeds from buy-out fees are recycled to the holders of ROCs.

The RO and NIRO schemes are now closed. ROC benefit rights will be grandfathered to projects that accredit under the NIRO following its closure. Generation accrediting under the NIRO will receive full support under the RO until 2037. From 2027 fixed price certificates will be issued, in place of ROCs, to projects qualifying for RO support until the end of the RO mechanism in 2037. Fixed price certificates will be set at the 2027 buy-out price, plus 10% and will be inflation linked.

RISK MANAGEMENT AND PRINCIPAL RISKS AND UNCERTAINTIES

RISK MANAGEMENT AND PRINCIPAL RISKS AND UNCERTAINTIES

The Group operates a structured and disciplined approach to the management of risk. Its approach is to conduct business in a manner which balances costs and risks while taking account of all its stakeholders and protecting the Group's performance and reputation by prudently managing the risks inherent in the businesses. Management regularly identifies and considers the risks to which the businesses are exposed. Management's assessment of the key risks and the associated controls and actions required to mitigate these risks are recorded in business risk registers. Each risk is regularly assessed for the severity of its impact on the business and for the effectiveness of the controls in place. The risk environment is reviewed continually in order to identify new or emerging potential risks.

The Group's Audit Committee, which meets quarterly, plays a key role in internal control and risk management. The Audit Committee monitors the Group's financial reporting processes and the effectiveness of the internal control and risk management systems; reviews and appraises the activities of the internal and external auditors; and provides an open channel of communication among the internal and external auditors, senior management and the Board.

The Group's Risk Management Committee (RMC) comprises a number of senior managers from across the Group and meets bi-monthly to oversee the management of risks and ensure that adequate and timely action is taken to mitigate and manage risk. The RMC reviews individual business and functional risk registers and reports to the Audit Committee on a quarterly basis.

The emphasis on sound management structures and policies and procedures is backed up by operational and financial review mechanisms and an externally resourced internal audit function.

The Director acknowledges that they have responsibility for the Group's systems of internal control and risk management and monitoring their effectiveness. The purpose of these systems is to manage, rather than eliminate, the risk of failure to achieve business objectives, to provide reasonable assurance as to the quality of management information and to maintain proper control over the income, expenditure, assets and liabilities of the Group. No system of control can, however, provide absolute assurance against material misstatement or loss. Accordingly, the Director has regard to those specific controls, which in their judgement, are appropriate to the Group's business given the relative costs and benefits of implementing them.

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

Competition in generation and supply of electricity

There is a risk that increased competition in generation and supply will reduce margins. Under the I-SEM there are multiple opportunities to trade electricity. Most electricity is traded through a Day Ahead Market where a single day ahead price for each hour, determined by the day ahead price coupling solution used across Europe, is received by all generators with a market position. Capacity payments are quantity-based in the form of "reliability options" and issued through a competitive auction process. The commissioning of new generating capacity may reduce the System Marginal Price (SMP) and may lead to increased competition in the capacity auction process resulting in lower capacity payments, subject to the impact of plant retirements and overall levels of demand.

Following the outcome of the first transitional auction, which covered the 2018/19 capacity year (1 October 2018 to 30 September 2019), when Huntstown 1 had been awarded a reliability option contract but Huntstown 2 had not been awarded such a contract, the Group reached agreement with EirGrid and CRU and entered into LRSAs for the Huntstown plants. The LRSAs covering the four year period to 30 September 2022 ensure that the Huntstown plants continue to be available to meet security of supply in the Dublin area whilst providing sufficient remuneration to the plants for services being provided in the SEM market.

Both Huntstown plants continue to bid in the competitive capacity auctions. The reliability options awarded to the Huntstown plants for the next four capacity years is summarised within the Flexible Generation operating review section.

The main competitors in the electricity supply markets in NI are SSE Airtricity, Electric Ireland, Budget Energy, Go Power and Click Energy. The main competitors in the electricity supply markets in the RoI are Electric Ireland, Bord Gáis Energy, SSE Airtricity, PrePay Power, Panda Power and Pinergy. Growing competition could adversely affect the Group's retail market share and margins in both the residential and business sectors. Certain of the Group's competitors may be able to offer lower prices or incentives that may attract customers away from the Group thereby reducing its market share, which in turn, may have a material adverse effect on margins achieved and delivery of the Group's growth strategy.

Wholesale electricity price

All electricity (with limited exceptions) bought and sold across the island of Ireland is traded through the I-SEM. The Group manages wholesale electricity price risk as follows:

- Gas price exposure is hedged when fixed price customer contracts are signed. Energia and Power NI also have the ability to hedge against the electricity demand of fixed price contract customers through contracted wind capacity and a range of market sources of capacity such as Contract for Differences (CfDs) with other market participants and purchases of GB financial power through GB Power swaps. In some customer contracts, the electricity price payable by the customer varies according to the price of gas;

- Power NI's price control, in relation to its regulated residential customers, allows it to pass through the costs of wholesale electricity subject to compliance with its economic purchasing obligation, which it discharges by hedging wholesale electricity prices in line with policies agreed with the UR. In relation to its deregulated non-residential customers, Power NI has the ability to hedge against the electricity demand of fixed price contract customers through market sources of capacity such as CfDs with other market participants and purchases GB financial power through GB Power swaps. Power NI also offers variable price contract customers tariffs which are partly or fully indexed to pool price; and

- PPB is entitled to receive additional revenues from PSO charges to the extent that the revenue it receives from the SEM capacity and energy markets, CfDs and ancillary services is insufficient to cover its regulated entitlement.

The I-SEM market trading arrangements, which comprise a Day Ahead Market, Intra-Day Market and Balancing Market, have experienced volatility since the market commenced on 1 October 2018. The market has now become more stable, however the Group's energy purchase and supply businesses remain exposed to energy price and volume resettlement risks. As at 31 March 2021 the market operator has resettled these markets up to mid-December 2020 for M+4 resettlement and mid-March 2020 for M+13 resettlement (the market is ordinarily resettled 4 months and 13 months after initial settlement). However system defects remain and further market fixes are required to be implemented before the market settlement solution could be considered fully aligned to the market code requirements.

The Group is exposed to potential price and volume resettlements in the balancing market ranging the full 30 month period from the commencement of the new market arrangements and therefore has estimated the level of resettlement that will be applied. These estimates are based on known market anomalies as extensively discussed in industry forums and facts and circumstances known at the Balance Sheet date. Estimations are dependent on the resettlement approach taken by the market operator.

Furthermore, the Group could be exposed to the fair value of hedges not being offset by customer demand in the event that Energia and Power NI experience an unexpected reduction in demand from their customer portfolios. Energia and Power NI could also be exposed to the risk of higher wholesale electricity prices in the event of significant outages of generation plant on the system such as the current long-term outages of Huntstown 2 and Whitegate.

Huntstown CCGTs, bioenergy plant and wind farm availability

Energia Group runs the risk of interruptions to the availability of its Huntstown 1 and 2 CCGTs, its bioenergy plant and its wind farms. Unscheduled interruptions to availability risks asset output performance levels.

For the Huntstown CCGTs, this risk is managed by having long-term maintenance agreements in place with the plants' Original Equipment Manufacturers (OEM), Siemens and Mitsubishi. Energia Group operates the plants to the manufacturers' guidelines within a suite of International Organization for Standardization (ISO) approved operation, maintenance and safety policies and procedures. The plant designs incorporate industry accepted levels of redundancy for critical plant components and there is regular testing of back up services and standby equipment.

The availability of wind farm assets is managed through maintenance contracts with the original turbine manufacturers and third parties.

During the year the Group's Renewables Business achieved certification to ISO 55001:2014 Asset Management in respect of its asset management system for renewable generation assets. ISO 55001:2014 is the international standard for asset management and associated life cycle engineering.

When the Huntstown bioenergy plant is fully commissioned, its operations and maintenance team, supported by specialist contractors where appropriate, will be responsible for the availability of the plant.

The Group holds appropriate property damage and business interruption insurance for its operational assets in line with good industry practice. However, there is a risk that such insurance may not cover all eventualities resulting in damage to an operational asset and the interruption caused.

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Health and safety

The Group 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 Group through the employment of 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 staff and well defined health, safety and environmental policies. In response to the ongoing COVID-19 pandemic and in line with government guidance, the Group continues to adopt strict social distancing measures at all its locations while a large number of staff work from home. The Group also continues to provide enhanced cleaning at those locations which 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.

The Group's approach to health and safety issues is described more fully in the Responsible Business Report.

The Group is certified ISO 45001:2018 Occupational Health and Safety Management Standard and ISO 14001:2015 Environmental Management Standard by the National Standards Authority of Ireland (NSAI).

Regulation and legislation

The markets in which the Group operates are subject to regulatory and legislative intervention at both domestic and EU level.

Energia Group is exposed to the impact of regulatory decisions and compliance with licence obligations as well as changes in legislation which impact its generation and supply activities as well as its development projects. Through its senior management, Energia Group maintains regular interaction with the UR, CRU, SEMC, DfE and DECC. A pro-active approach is taken to the Regulatory Authorities' (RAs) consultations on all I-SEM related matters.

The I-SEM market arrangements create risks to revenues from generation activities. The Capacity Remuneration Mechanism operates through capacity auctions which award reliability options to successful bidders at the market clearing price. In addition, the Huntstown plants could be required to generate to relieve constraints and therefore participate in the balancing market. The market places restrictions on the costs generation plants can take into account when setting their bids in the balancing market. As noted above the Group has secured four year LRSAs for both Huntstown plants which provide clarity on the capacity income the plants can earn until expiry of these agreements on 30 September 2022. Although the LRSAs and the current capacity market arrangements have been in place since 1 October 2018, there could be a potential risk that the awarding of these contracts is subject to challenge or the European Commission's decision to approve state aid for the Irish capacity market could be subject to challenge.

Power NI and PPB are exposed to regulatory risk in respect of their price controls. The Group's approach to price control reviews is to be pro-active in promoting arrangements that will lead to an agreed outcome. This includes adherence to relevant precedent and best practice. There is regular reporting to the UR and DfE on a wide range of financial and other regulatory matters including licence compliance. PPB is also exposed to regulatory decisions in respect of its contracted generation capacity which could impact its business activities. Regulatory relationships are managed by senior management through frequent meetings, informal dialogue and formal correspondence.

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 NI Protocol, agreed as part of the Withdrawal Agreement, also came into force on 1 January 2021 to ensure that there would be no new checks on goods crossing the border between NI and the RoI. As a result of the protocol, NI 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. The protocol also protects the continued operation of the I-SEM market, however the framework for electricity trading across interconnectors between Ireland and Great Britain has changed and these two interconnectors are no longer able to participate in the EU Single Day-Ahead Market.

In the initial months since 1 January 2021, the I-SEM market has experienced periods of price volatility and the Group continues to monitor the impact of Brexit on wholesale prices. The Group will also monitor and manage the implications of new efficient electricity arrangements for EU–UK interconnectors expected to be in place by April 2022. Furthermore, the Group 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.

Development of generation assets

Through the development of conventional and renewable generation assets, including new technologies, the Group is exposed to various risks including technical, commercial, contractor, planning, post development planning amendments, financing and economic risks. Furthermore, the COVID-19 outbreak has the potential to disrupt the availability of contractors, equipment and supplies together with the potential to delay obtaining project planning consents and permissions. Such risks could delay the construction or delivery of onshore and offshore wind farms, bioenergy, conventional generation, solar, battery storage or hydrogen production projects or the commencement of commercial operations or adversely impact operational efficiency. Experienced senior staff operate appropriate project management controls to manage the project risks with appropriate management reporting up to the Board.

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Delivery of growth initiatives and IT projects

As part of its strategy the Group has identified a number of strategic planning and growth initiatives. The delivery of these initiatives and the transition to the new energy world requires the Group to have a team of experienced senior staff and specialist staff resourcing with the appropriate skills and capabilities. The Group also faces market-led initiatives that require significant investment in specialist staff resources in order to deliver complex IT projects required to operate in the market. The Group has a dedicated corporate development team in place responsible for the delivery of identified strategic objectives and an IT project management office to oversee the delivery of IT projects. There is a risk that the Group is unable to attract, develop and retain the staff necessary to ensure that it has the appropriate resourcing levels and capabilities to meet its strategic objectives. Furthermore the COVID-19 pandemic has the potential to disrupt the availability of contractors and specialist resources which may be required to deliver IT projects. The Group's future staffing strategies are also likely to require increased flexible working options which could introduce new risks that will be required to be managed.

Business continuity

The Group has measures in place to manage the risk that one or more of its businesses sustains a greater than necessary financial impact through inability to carry on its operations either for a short or prolonged period.

The Group has business interruption insurance in place for both Huntstown 1 and 2 and the wind farm assets and will put business interruption insurance in place for the Huntstown Bioenergy plant once it is fully commissioned. However, even though business interruption insurance is in place, the Group could potentially be exposed to a greater than necessary financial impact in the event that the cause of the interruption is not covered under the policy.

An IT disaster recovery plan is in place which covers the whole Group and centrally co-ordinated Business Continuity plans are in place covering the various locations where each business operates. During the year as the COVID-19 pandemic continued, the Group's senior management team continued to meet regularly to monitor its response and take appropriate steps to protect staff, customers and the Group's businesses. The Group also further strengthened its home working capabilities so that virtually all office-based staff now have the capability to work from home securely. Furthermore, the Group 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.

Outsourcing

The Group has a managed service contract with Capita Managed IT Solutions Limited (Capita) for the outsourcing of a range of important Information and Communication Technologies (ICT). Voice and data telecoms services are provided by BT through a contract managed by Capita. There is a risk of disruption to the Group if there are service delivery failures. Comprehensive business continuity and disaster recovery plans are maintained to manage this risk.

Environmental, Social and Governance factors

The Group 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 Group'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. Furthermore, the Group has been awarded Business in the Community's Business Working Responsibly Mark, an independently audited standard for CSR and Sustainability certification in Ireland and during the year the Group also appointed a Head of Corporate Affairs to further develop its ESG strategy. The Group monitors the wider context in which it operates and, in particular, the risks posed by climate change and the opportunities for the Group to support its customers in transitioning to a lower carbon future.

Taxation

The Group manages its tax affairs so as to maintain its reputation as a well-run, open and compliant business. The Group pays taxes primarily in the UK and the RoI (the jurisdictions in which it has trading operations). Good relationships are maintained with HM Revenue & Customs (HMRC) and the Irish Revenue Commissioners based on trust and co-operation. The Group's appetite for tax risk is low and its policy is to manage its tax liabilities in an efficient manner and in compliance with relevant legislation and guidance.

During the year the Group updated its tax strategy and the Board approved this to satisfy its obligations under paragraph 16(2) Schedule 19 of the UK Finance Act 2016. A copy of the Group's tax strategy is publicly available on the homepage of the Group's website.

The Group has a zero tolerance approach to tax evasion and specifically the facilitation of tax evasion and has appropriate policies and procedures in place to comply with the UK Criminal Finances Act 2017.

Pensions

The EGNIPS has two sections: a money purchase section and a defined benefit section. The defined benefit section is closed to new entrants and at 31 March 2021 there were 67 members comprising 19 active members and 48 pensioners. There is also a money purchase arrangement for employees in the RoI known as 'Choices'. Most employees of the Group are members of EGNIPS or Choices. While the trustees seek the advice of professional investment managers regarding the scheme's investments, there is a risk that the cost of funding the defined benefit section of EGNIPS could increase if investment returns are lower than expected, mortality rates improve or salary or benefit increases are higher than expected.

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 Group's IT systems or its outsourced partners' IT systems or employee negligence. Loss of Group data or loss/misuse of customer data could damage the Group's reputation, adversely impact operational performance or lead to a loss of income. The Group's businesses rely on complex IT systems to operate and as such are at risk of being unable to operate in the event of a major IT systems failure. The IT systems are potentially at risk of cyber-attack which could lead to data breaches or the inability to operate due to systems unavailability. There is a risk that one or more of the Group's businesses could sustain a greater than necessary financial impact through inability to carry on its operations either for a short or prolonged period. The 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 Group 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.

Business performance

The Group aims to deliver business performance in line with or better than expectations. There is always a risk that the Group's plans and forecasts may not be deliverable. Management continues to monitor the impact of COVID-19 on the Group's operations, finances and business plan projections and has modelled plausible and extreme downside scenarios to determine the financial impact on the Group and to stress test its resilience. Furthermore, inappropriate investment or underperformance by a particular business segment can affect the forecasts and growth targets for the Group. The Group's planning processes are subject to scrutiny from the Energia Group Management Board and the Board and performance by each business segment is reviewed against budget on a monthly basis through the use of KPIs, variance analysis and cash flow reporting.

Financial control

Strong financial and business controls are necessary to ensure the integrity and reliability of financial and other information on which the Group relies for day-to-day operations, external reporting and for longer term planning. The Group 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 Group operates or is considering investing in.

Treasury risks

The Group's treasury function manages liquidity, funding, investment and the Group's financial risk, including risk from volatility in currency, interest rates, commodity prices and counterparty credit risk. The treasury function's objective is to manage risk at optimum cost in line with Group policies and procedures approved by the Board. The treasury function employs a continuous forecasting and monitoring process to manage risk and to ensure that the Group complies with its financial and operating covenants.

An analysis of the Group's net debt is as follows:

At 31 March	2021 €m	2020 €m
Investments	1.4	1.4
Cash and cash equivalents	178.6	190.8
Senior secured notes €350m (2025)	(346.0)	(345.3)
Senior secured notes £225m (2024)	(261.5)	(251.0)
Interest accruals - Senior secured notes	(1.2)	(1.1)
Other interest accruals	(0.6)	(0.9)
Net debt excluding project finance facilities	**(429.3)**	**(406.1)**
Project finance cash	37.9	30.0
Project finance bank facility (RoI)	(154.3)	(130.0)
Project finance bank facility (NI)	(199.0)	(208.0)
Project finance interest accruals	(0.1)	(0.2)
Pro-forma net debt	**(744.8)**	**(714.3)**

The maturity profile of the Group's loans and borrowings at 31 March 2021 is as follows:

Facility	€m	Maturity
Senior secured notes €350m	(346.0)	September 2025
Senior secured notes £225m	(261.5)	September 2024
Senior revolving credit facility	-	September 2023
Project finance facilities	(353.3)	2020-2035
Interest accruals - Senior secured notes	(1.2)	
Other interest accruals	(0.6)	
Project finance interest accruals	(0.1)	
	(962.7)	

Maturity analysis of loans and other borrowings is:

Facility	2021 €m	2020 €m
In one year or less or on demand	(25.3)	(25.9)
In more than one year but less than two years	(23.1)	(20.5)
In more than two years but less than five years	(685.7)	(317.8)
In more than five years	(228.6)	(572.3)
	(962.7)	**(936.5)**

Project finance bank facilities

During the year non-recourse project finance facilities of up to €49.9m were put in place (including a term loan of €46.7m, debt service reserve facility of €2.3m and letters of Credit facility of €0.9m) in respect of the 32MW Derrysallagh wind farm in the RoI.

The Group expects to put in place project finance facilities for its renewable development projects going forward.

Analysis of undrawn committed project finance bank facilities:

At 31 March	2021 €m	2020 €m
Project finance bank facilities	465.5	409.3
Draw down	(465.5)	(405.8)
Undrawn committed project finance facilities	**-**	**3.5**

All of the above amounts exclude project finance facilities in relation to working capital

Liquidity and capital resources

The Group is financed through a combination of retained earnings, medium-term bond issuance and both medium-term and long-term bank facilities. A summary of the Group's net debt is set out above and in note 28. Liquidity, including short-term working capital requirements, is managed through committed Senior revolving credit bank facilities together with available cash resources.

The Group continues to keep its capital structure under review and may from time to time undertake certain transactions such as financing transactions, acquisitions and disposals which affect its capital structure. The Group may also from time to time repurchase its Senior secured notes, whether through tender offers, open market purchases, private purchases or otherwise.

The Group can have significant movements in its liquidity position due to working capital variations such as the movements in commodity prices, the seasonal nature of the business and regulatory under-recoveries. Short-term liquidity is reviewed daily by the treasury function and Group cash forecasts (including adjustment for the anticipated impact of COVID-19), covering a rolling two-year period, are reviewed monthly. This monitoring includes reviewing the minimum EBITDA covenant, required to be reported quarterly under the Senior revolving credit facility, to ensure sufficient headroom is maintained. The project financed facilities have one main covenant, a debt service cover ratio, which measures available cash against the debt service requirements on an historic annual basis.

At 31 March 2021, the Group had letters of credit issued out of the Senior revolving credit facility of €155.0m resulting in undrawn committed facilities of €109.2m (2020 - €91.0m). There were no cash drawings under the Senior revolving credit facility at 31 March 2021 (2020 - €nil).

During the year the Group has met all required financial covenants in the Senior revolving credit facility and project finance facilities.

At 31 March 2021, there was €37.9m (2020 - €30.0m) of restricted cash in the project financed wind farms which is subject to bi-annual distribution debt service requirements.

Interest rate risk

The majority of the Group's borrowings bear interest at fixed rates with its €350.0m Euro denominated Senior secured notes bearing interest at a fixed rate coupon of 4.0% and its £225.0m Sterling denominated Senior secured notes bearing interest at a fixed rate coupon of 4.75%.

The Group's only exposure to interest rate risk is in respect of drawings on the Senior revolving credit facility, which was undrawn at 31 March 2021 and 31 March 2020 and to a minor portion of its project financed facilities which are based on Libor / Euribor rates but which are largely fixed through the use of interest rate swaps. As a result, at 31 March 2021, 96.3% of the Group's total borrowings were on a fixed rate basis and therefore not subject to any interest rate risk.

At 31 March	2021 €m	2020 €m
Loans and other borrowings fixed/floating analysis:		
Fixed rate debt	(927.2)	(904.5)
Variable rate debt	(35.5)	(32.0)
	(962.7)	**(936.5)**

The estimated fair value of the Group's interest rate derivative financial instruments is disclosed in note 25 to the accounts.

Foreign currency risk

Following the refinancing of the Senior secured notes in September 2017, the Group's debt is relatively evenly split between Euro and Sterling.

The Group has not designated a hedging relationship between the Euro-denominated assets on the Group's balance sheet and the Group's Euro borrowings.

At 31 March	2021 €m	2020 €m
Loans and other borrowings currency analysis:		
Euro	(502.7)	(478.1)
Sterling	(460.0)	(458.4)
	(962.7)	**(936.5)**

Energia receives income and incurs expenditure in Euro. Energia is also exposed to currency movements in respect of its gas and some of its power purchases denominated in Sterling. The Group's policy is to identify foreign exchange exposures with a value equivalent to or greater than €1.0m with the percentage level of hedging dependent on the specific project. Exchange rate exposures are identified, monitored and hedged through the use of financial instruments (mainly forward currency contracts and swap arrangements).

Power NI is exposed to currency movements in respect of its Euro-denominated CfDs. These exposures are hedged in accordance with a policy agreed with the UR.

The estimated fair value of the Group's foreign currency derivative financial instruments is disclosed in note 25 to the accounts.

Commodity risk

Energia employs commodity swaps to hedge gas price exposures, forward purchase contracts to hedge its shortfall of carbon dioxide (CO_2) emission allowances. Energia's policy is to hedge its exposure to changes in the price of gas and CO_2 emission allowances in line with retail electricity sales contracts.

Power NI employs commodity swaps to hedge gas price exposures and GB Power price exposures. Power NI's policy is to hedge its exposure to changes in the price of gas and GB Power relative to retail electricity sales contracts.

PPB is exposed to commodity price fluctuations in respect of its generation contracts. These exposures are hedged through the use of commodity swaps and forward purchase contracts in accordance with a policy agreed with the UR.

Energia, Power NI and PPB enter into I-SEM CfDs to manage their exposure to pool price volatility.

The estimated fair value of the Group's commodity derivative financial instruments is disclosed in note 25 to the accounts.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. Provisions are made based on previous experience and identifiable events which indicate a reduction in the recoverability of cash flows. With continued uncertainty regarding the ongoing COVID-19 pandemic the Group continues to apply an incremental allowance for excepted credit losses in line with the methodology adopted in 2020 (disclosed in note 18). However, there remains a risk that the actual level of deferral or default on payments by customers is higher than that assumed when estimating the provisions made at the balance sheet date.

Energia and Power NI are not exposed to major concentrations of credit risk in respect of their trade receivables, with exposure spread over a large number of customers. Energia and Power NI hold credit insurance and obtain security deposits, where relevant, under their credit policies in respect of certain trade receivables. Energia, PPB and Power NI also receive security from certain suppliers in the form of letters of credit, parent company guarantees or cash collateral.

The Group may be exposed to credit-related loss in the event of non-performance by bank counterparties. The Group manages this credit risk by establishing and monitoring counterparty exposure limits which are adjusted and tightened when necessary. The Group actively manages its banking exposures on a daily basis and cash deposits are placed for periods not exceeding six months to provide maximum flexibility. During the year the Group did not suffer any bank counterparty exposure loss.

Further information is outlined in note 25 to the accounts.

Going concern

The Group's business activities, together with the principal risks and uncertainties likely to affect its future performance are described in the Strategic and Director's Report.

In assessing the appropriateness of the going concern basis of accounting, a detailed analysis of 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.

Having considered the matters above, the Director has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, therefore, continues to adopt the going concern basis in preparing the annual report and accounts.

RESPONSIBILE BUSINESS REPORT

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RESPONSIBLE BUSINESS REPORT

The Group is committed to making a positive impact in everything it does and each of its businesses play an important role on the energy transition the island of Ireland must go through in the next decade.

The Responsible Business Report summarises the responsible business activities of the Group for the year ended 31 March 2021 (FY21) across four headings. A stand-alone version of the report is also available on the ESG page of the Group's website.

Climate Action

- 15 operational windfarms across the island of Ireland
- Over 1,200MW Renewable Electricity under long-term contracts
- 2 efficient gas-fired electricity generators at Huntstown in Dublin
- Over 6TWh electricity generated with over 50% from renewable sources
- Electricity emissions: 1.19m tCO_2 emitted and 1.156m tCO_2 avoided or offset
- 2 Net Zero Pathway Studies to 2030 and 2050 completed with industry
- 321MW of wind and solar projects in development, and 110MW battery storage

Colleagues

- 916 Colleagues (+68 on FY20)
- 164 new starts and >4,500 applications
- Graduate (15) and Student Placement (17) Programmes
- Gender Diversity: Group is 44% female and 56% male
- 0 reportable or lost time incidents within the Group; 1 reportable/lost time incident for third-party
- Learning and Development: 1,405 hours of intensive, online courses taken by 578 colleagues
- Wellbeing: 26 initiatives participated in by 629 colleagues
- COVID-19 Pulse Survey: 96% of respondents were "confident the Group was managing the impacts of COVID-19 effectively"

Customers

- 823,900 customer sites supplied with 7.3TWh of electricity
- Energia and Power NI rated as "Excellent" on Trust Pilot
- 7 escalated complaints
- Energia supply 100% green electricity; Power NI provides 100% green "Eco Energy" product
- Over 1.1 million individual COVID-19 related correspondences with customers
- Other milestones:
  - >10k microgen sites in Northern Ireland
  - >10k smart thermostat installs
  - >325k customers registered for Energy Online

Community

- Windfarm Community Benefit Schemes providing >€600k per annum
  - 92 Community groups assisted in FY21
  - Estimated reach of 57,000 people
- Meenadreen Student Bursary launched
- Power NI More Powerful Together Campaign: >€40k to address digital divide and Power NI Teaching Hero Award (>400 applications)
- Seachtain na Gaeilge le Energia - funding provided to 113 community groups across Ireland to enable a wide variety of virtual events
- Power NI Brighter Communities and Helping Hands in the Community support 33 community projects
- Christmas Foodbank Donations, equivalent of over 10,000 meals
- Energia Get Ireland Growing: 1,000 GROWbox give-away
- Energia Free-Kend Map: >5 million views in 5 years

CLIMATE ACTION - KEY FIGURES

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OPERATIONAL WINDFARMS ACROSS THE ISLAND OF IRELAND

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EFFICIENT GAS-FIRED ELECTRICITY GENERATORS AT HUNTSTOWN IN DUBLIN

OVER 6TWh

ELECTRICITY GENERATED WITH OVER 50% FROM RENEWABLE SOURCES

1,156,000

1.156 MILLION TCO_2 AVOIDED OR OFFSET

The Policy Context

Climate change is one of the biggest challenges of our times. The energy system on the island of Ireland will undergo profound and unprecedented change during this decade if international and domestic commitments on climate action are to be achieved. The argument for this change is overwhelming but the challenge is significant. Electrification will play a central role in decarbonising the energy system, with renewable electricity playing an increasing role in our power system and in the provision of heat and transport.

The COP21 Paris Agreement frames the global response to climate change and seeks to limit global temperature increase to 1.5° over pre-industrial levels[i]. The EU's Green Deal[ii] represents the leading role Europe will play in this transition to Net Zero by 2050. The Irish Government's Climate Action Plan (2019)[iii] and the development of a new Energy Strategy for

Northern Ireland[iv] represent key enablers of this transition on the island, setting out policies and targets that ensure a long-term focus on the key objective of effective climate action. The COP26 summit scheduled at the end of this year, seeks to accelerate global action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change.

This ambition must be complemented by actions if we are to make meaningful progress towards these goals. Energia Group will play a key role in the achievement of a decarbonised energy system and in the wider energy transition. To assist in the understanding the pathways through this decade and beyond, we have provided financial support to two significant industry research projects to identify decarbonisation roadmaps to 2030 and 2050.

The Electricity Association of Ireland commissioned a study from the MaREI Centre in University College Cork (UCC) to look at the achievement of a 70% renewables electricity target on the island of Ireland in 2030[v]. As well as a significant increase in renewable electricity generating capacity, the study found a corresponding requirement for a similar capacity of gas-fired generation to support this 70% system and provide security of supply across different timeframes.

The electricity grid and consumer behaviour were also identified as key enablers of the required transition.

Wind Energy Ireland (WEI, previously IWEA) also commissioned the MaREI Centre in UCC to consider a roadmap to Net Zero in 2050[vi]. The results of this study are consistent with the 2030 study but by 2050 it highlights the requirements for new technologies and fuels to power an energy system that is far more dependent on renewable electricity.

As well as the contributions made to these important studies, Energia Group was the main sponsor of the IWEA Annual Conference in 2020.[vii] The conference was held entirely online over four half-days in September and brought together key stakeholders to consider a wide variety of issues affecting the wind industry in Ireland. Energia Group was also the sponsor of a recent webinar “Building a Pathway to Net Zero” hosted by the British-Irish Chamber of Commerce and supported the UK Department for International Trade.[viii]

Positive Energy Programme

The energy transition will require significant investment and the Group continues to make good progress in its €3 billion Positive Energy investment programme (launched 2019).

This Programme is focussed on a range of major renewable energy projects including onshore and offshore wind farms, solar power, hydrogen fuel generation, bioenergy facilities and the smart grid. This strategy aligns with the Government of Ireland's commitment to increase the amount of electricity generated from renewable sources to 70% by 2030 and will enable this level of ambition to be exceeded on the pathway to Net Zero.

The Group anticipates that this new investment will add up to 1.5GW of renewable generation to the grid over a 10-year horizon.

Our Renewable Portfolio

The Group has a long and prominent history of investing in renewable electricity projects across the island. The Group owns and operates 309MW of onshore wind capacity across 15 sites on the island. As well as a substantial development pipeline of new onshore wind, the Group's overall development portfolio of c.3GW includes offshore wind, solar and battery storage projects.

In onshore wind, the Group currently has 242MW in development and a further 79MW in new solar capacity. To support system operation, the Group is also developing 110MW of battery storage across three projects, one outside Belfast at Castlereagh (50MW) and two on the Huntstown campus (50MW and 10MW).

The Group's two offshore wind projects - North Celtic Sea and South Irish Sea - are expected to deliver between 700-900MW each in new renewable capacity for the island, thus making a further, significant contribution to the transition to a low carbon power system.

Asset / Development Map

Energia Group owns and operates over 300MW of onshore wind assets across 15 different sites on the island of Ireland. We are currently developing both onshore and offshore wind energy, solar technology, green hydrogen production, bioenergy plants and battery storage projects. Over the next five years, our planned €3bn investment will double our renewable energy capacity to help us reach our positive energy goals.

https://energiagroup.com/renewables/

Powering the Energy Transition

It is inevitable that the all-island power system will increasingly rely on renewable electricity generation, primarily onshore and offshore wind and solar, supported by large, flexible gas-fired plants and other technologies (e.g. large-scale batteries), if both Governments on the island are to achieve their climate action ambitions. In this system, security of supply remains of central importance to both the power system and the wider economy but the challenge becomes a more dynamic one, the more the system seeks to rely on intermittent renewable technologies to meet customers' demands.

Unlike most other systems, the power system must maintain an instantaneous balance between generation and demand to ensure safe and secure operation.

Coupled with this need to maintain a balance between supply and demand, the power system must also overcome local and system-wide constraints on its operation. These constraints arise from insufficient availability of capacity in cables and wires to transport the power from where it is generated to where it is required by customers, as well as from local and system-wide limitations on either the number of large-scale generators that are required to be on for system operational reasons or the proportion of the system demand capable of being met by renewables.

What is Constraint and Curtailment?

According to EirGrid, the Transmission System Operator (TSO), there are times when it is not possible to accommodate all renewable (wind) generation, while maintaining the safe, secure operation of the power system. Security-based limits have therefore been imposed on the system due to both local network and system-wide security concerns.

To mitigate these concerns, it is necessary for EirGrid to reduce the output of renewable generators below their maximum available level when these security limits are reached. This reduction is typically referred to as 'dispatch-down' of renewable generation and can occur due to constraint or curtailment.

Constraint refers to the dispatch-down of wind generation for localised network reasons - e.g. insufficient capacity on the lines - and only wind generators in that area can contribute to alleviating the problem.

Curtailment refers to the dispatch-down of wind for system-wide reasons - e.g. the EirGrid limit on the percentage of wind that can supply customers at any point in time (currently trialling 75%) - and where the reduction of any or all wind generators can alleviate the problem.

Energia Group owns and operates two CCGT plants at the Huntstown site in north Dublin. Huntstown 1, a 343MW CCGT plant was commissioned in November 2002 and Huntstown 2, a 404MW CCGT plant adjacent to Huntstown 1, was commissioned in October 2007. These units provide critical security of supply to the Dublin region, where EirGrid have imposed a number of operational constraints, and electricity to customers across the island.

In FY21, c.24% of all generation at Huntstown was to satisfy these system constraints and to maintain security of supply in the Dublin area.

The Group also owns and operates a 309MW portfolio of onshore wind farm assets across the island. This comprises of 136MW in Ireland and 173MW in NI. In FY21, 13.1% of the available generation from this portfolio was lost due to system constraints and curtailment; 13.7% in Ireland and 12.7% in NI. This represents a significant loss of renewable electricity across the system and inhibits progress towards further decarbonisation.

As well as the Group's owned renewable assets, the Group has a renewable PPA portfolio of 1,284MW, primarily consisting of off-take contracts with third party owned wind farms.

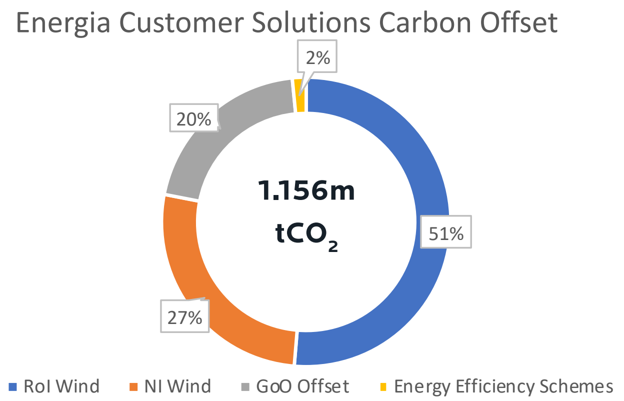
The Group, via its Customer Solutions business, has entered into contracts with developers under which it has agreed to purchase the long-term output of a number of wind farm projects and with generators from other renewable sources (e.g. anaerobic digestion and biomass technologies).

Electricity Generation & Carbon Emissions

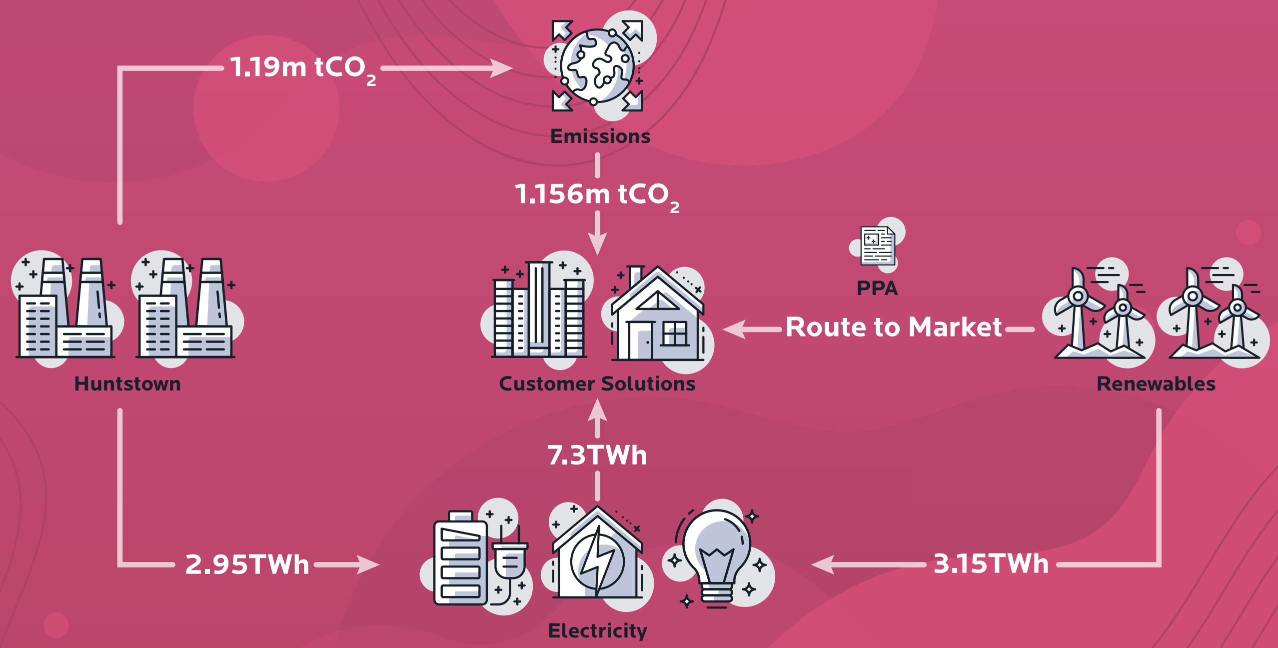
In FY21 Energia Group provided over 6TWh[ix] of electricity to the all-island Single Electricity Market, with over half of this coming from renewable sources. An additional 103GWh of renewable electricity from our owned assets were lost due to system constraints and curtailment.

In total Huntstown generated 2.95TWh of electricity, c.24% of which was due to system constraints and a requirement from EirGrid to be on and/or to generate more electricity than otherwise would have been the case to satisfy these constraints and to maintain security of supply in the greater Dublin region. The total generation activity at Huntstown released c.1.19m tCO_2 into the atmosphere, 25.5% of which was related to the units' constrained operation to maintain security of supply in the greater Dublin region.

As the route to market for the Group's renewable generation is through the Customer Solutions business and that business provides green products to customers (discussed further below) it possible to calculate the total amount of carbon emissions that are avoided or offset as a result of these combined effects. Overall, it is estimated that the Group's renewable generation and green products, including energy efficiency measures delivered for customers, avoided or offset 1.156m tCO_2 in FY21.[x]



Electricity generation and emissions profile



Investments to Support the Circular Economy

To further the objectives of decarbonisation and sustainability, the Group is commissioning a bioenergy plant at Huntstown in Dublin. This state of the art 4.0MW anaerobic digestion facility which should process up to 100,000 tonnes of organic municipal waste from the Dublin region, is intended to produce up to c.32GWh of green renewable electricity on an annual basis. The waste processed by the bioenergy plant would otherwise have been sent to landfill or incineration. Electricity generated by the plant is exported to the grid whilst the heat is used on site for the digestion process, to dry the digestate and to heat the offices and associated buildings. Digestate from the source separated organic waste is recycled to land as a fertiliser.

The bioenergy plant has entered into a long-term fuel supply agreement to supply the majority of the organic waste required for the plant over 10 years. Construction of the plant is substantially complete however the commissioning phase continues to experience a number of delays and commercial operation date is targeted during Financial Year 2022.

The Group is also in the process of seeking the relevant permissions for the development of a similar facility in Belfast.

Zero emissions hydrofoil concept from Artemis Technologies

Renewable Transport & e-Mobility

Significant work is progressing in the area of renewable transport. With both the Irish and UK Governments committing to a transition to electric vehicles, work has progressed in relation to retail customer offerings and innovative public charging solutions.

The Group has secured Interreg and Office for Low Emission Vehicles (OLEV) grant funding for an electrolyser, to produce hydrogen from renewable electricity at the Long Mountain wind farm, and a fuelling station to be located in Belfast in order to power a number of double deck hydrogen buses in Belfast. During the period, delivery of hydrogen from third party suppliers commenced to enable commissioning of Translink's buses however delivery of the electrolyser and fuelling station has been delayed. Commissioning of a temporary electrolyser and the fuelling station is targeted for First Quarter 2022.

Power NI is also helping to develop a zero-emissions hydrofoil ferry between Belfast and Bangor as part of the Belfast Maritime Consortium led by Artemis Technologies.

Energia have partnered with on-street EV charging provider Char.gy to provide a simple and effective solution to on-street charging by installing chargers on existing lampposts or as standalone bollards.

On-street charging is a key facilitator of a wide-spread EV rollout, providing solutions for those without off-street parking or in carparks.

In collaboration with Dun Laoghaire-Rathdown County Council, Energia and Char.gy have installed Ireland's first lamppost attached EV charge point. This is also the first public disabled/accessible electric charging bay in Ireland.

Ongoing discussions are also taking place with other interested parties, including councils, about offering this convenient means of on-street charging across Ireland, as a vital step towards reducing vehicle emissions.

L-R: Gavin Hickey, Development Engineer, Energia Group; Councillor Úna Power, Cathaoirleach of Dún Laoghaire-Rathdown County Council; Dolores Murphy, (previously) Access & Housing Support Services, Irish Wheelchair Association.

energia group

Summary of other Group Emissions

Excluding the generation and supply of electricity, including the emissions (Scope 1) relating to Huntstown that are covered elsewhere in this report, this section presents a summary of key Scope 1 and 2 emissions for the Group, as well as a selection of relevant Scope 3 emissions.

In FY21 Covid-19 has had a notable impact on transport and office use during the year but a significant saving has also been achieved by switching the offices in NI to a new green electricity product offered by Power NI.

Scope	Activity	FY21	
		tCO_2e	tCO_2/FTE
Scope 1	Company vehicles	68.7	0.09
Scope 2	Energy use (Green electricity tariff, heating oil and gas)	25.2	0.03
Scope 3	Business travel (grey fleet + air travel)	23.4	0.03
	Water	0.6	0.00
	Waste to landfill	0.3	0.00
	Totals	**118.2**	**0.15**

Not included in this analysis, or in the electricity section above, is the Group's retail supply of natural gas. This gas is procured from third parties in Ireland and Great Britain, and supplied to our business and residential customers. Retail gas sales in FY21 equate to approximately 560,000 tCO_2.

In addition, a number of water efficiency measures were put in place at Huntstown over the course of the year that have resulted in a saving of 3,713 cubic meters of water in FY21.

Group Environmental Management System

In line with the Positive Energy initiative, the Group is extensively committed to Irish communities, the economy, and the sustainability of Ireland's energy supply. The Group aims to contribute to the transition of a Net Zero carbon future in line with Ireland's climate action targets both through internal operations and business development. Huntstown 1 and 2 operate in compliance with their Industrial Emissions licences.

Emissions of NO_x, SO_2 and CO are measured by onsite Continuous Emissions Monitoring Systems, CO_2 is calculated as per greenhouse gas permit requirements. Through the operation of their respective Industrial Emissions licences, Huntstown 1 and 2 comply with the emission limits for NO_x, SO_2 and dust under the EU's Industrial Emissions Directive.

The Group's Environmental Management System is certified to ISO 14001:2015 and its environmental priorities are focused on several key areas:

- operation of the Huntstown CCGTs and Bioenergy plants in compliance with legal and regulatory requirements.
- direct investment in, and contracting with, a range of renewable generators to produce low carbon electricity which can be supplied to customers of the Group's retail supply businesses.
- the promotion of energy-saving ideas to its customers through the provision of energy efficiency advice, grants and other value-added services; and
- development of the supply of renewably sourced hydrogen fuel from an onshore windfarm to power public transport buses in NI thereby improving local air quality and reducing carbon emissions.

The Group's health, safety and environmental policy commits to protecting the environment and is designed to ensure compliance with all relevant legislative and regulatory requirements. Where practical and economically viable, the Group continually seeks to develop standards which go beyond these requirements. Areas of particular focus include the responsible management of emissions, waste and recycling, measures to protect against pollution and the promotion of energy efficiency.

CUSTOMERS - KEY FIGURES

823,900

CUSTOMER SITES SUPPLIED WITH 7.3TWh OF ELECTRICITY

4.6

ENERGIA AND POWER NI RATED AS "EXCELLENT" ON TRUST PILOT

OVER 1.1M

INDIVIDUAL COVID-19 RELATED CORRESPONDENCES WITH CUSTOMERS

OVER 325,000

CUSTOMERS REGISTERED FOR ENERGY ONLINE

Customer Solutions - Overview

The Group's Customer Solutions business operates under the Energia and Power NI brands.

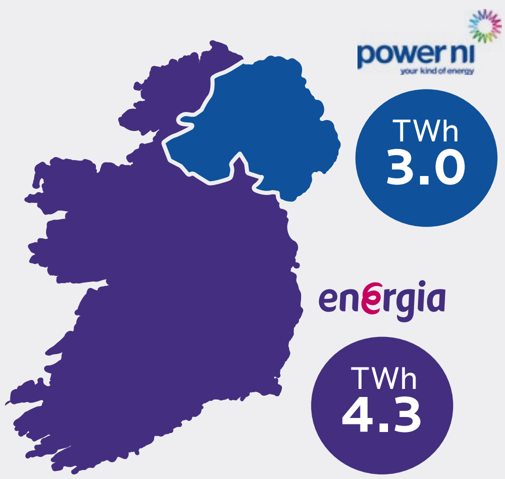
Energia supplies electricity and natural gas to business and residential customers in Ireland.

Power NI is the regulated electricity supplier in NI and supplies electricity to business and residential customers.

FY 21 Electricity Sales

At the end of FY21, the Group had 823,900 customer sites on the island of Ireland and electricity sales of c.7.3 TWh.

In Ireland, Energia had 276,800 residential customer sites across electricity and gas customers. Energia also had 49,400 business electricity sites and 3,800 business gas sites. In NI, Power NI had 452,700 residential and 41,200 business customers sites.



Customer Experience

A focus on the customer is core to the Group's strategy and significant focus is placed on ensuring our customers have a positive experience when engaging with us. We are very proud of our Trustpilot ratings of "Excellent" for both Energia and Power NI in FY21.

Recognising this was not a normal year for our customers, the Group's response to COVID-19 is presented later in this report.

During FY21, the Group received five complaints which were referred to the CRU and two complaints which were referred to the CCNI. The number of complaints continues to compare favourably with best practice in other markets.

Vulnerable Customers

Energia and Power NI offer a number of services to customers that are promoted through their respective Codes of Practice and through various advice providers. Both businesses also aim to assist customers with special needs through a number of these services and both companies actively maintain registers of customers special or priority needs.

The Group recognises the social dimension of debt prevention and management and both Energia and Power NI continue to offer a wide range of payment options and debt prevention measures. Both companies have committed to never disconnect and through EAI, the Group worked with other suppliers to develop the Energy Engage Code for the Irish market.

In NI, Power NI offers a 'For Your Benefit' (FYB) service for its customers which includes a benefit entitlement check, budgeting, signposting and energy advice for particularly vulnerable customers. During the year all FYB services transitioned to telephone contacts instead of in the home due to COVID-19 restrictions and 258 were completed over the phone. The customers who availed of the service all had been referred by Power NI's frontline staff from the Contact Centres and the Payment & Accounts Resolution team.

In addition, Power NI's JAM Card champions rolled out JAM Card training to approximately 100 staff over the course of the year. A JAM Card allows people with a learning difficulty, autism or communication barrier tell others they need 'Just A Minute' discreetly and easily and an alert has been added to Power NI's billing system so that the JAM Card details can be added to their account.

COVID-19 Response

Recognising the significant difficulties COVID-19 imposed on customers' lives and livelihoods, Energia and Power NI both implemented a range of measures for residential and business customers. During FY21, the Group issued over 1.1 million individual correspondences with customers, including email, letter or SMS, providing important information on our COVID-19 response and providing advice on how to manage their account and/or avail of support.

For residential customers all disconnections were stopped and collection processes were amended. Our experienced staff worked with customers who contacted us and were struggling to pay through a range of measures including; payment plans suitable for their individual circumstances, amending Direct Debit amounts where applicable, allowing payment holidays, extending payment due dates and spreading balances over extended periods of time on payment plans.

During FY21 a COVID-19 survey was introduced for any customers who mentioned they were impacted due to COVID-19.

The results of the survey were positive with customers welcoming the flexibility and understanding offered by our Customer Care and Payment & Account Resolution teams.

For business customers, Power NI undertook a meter reading campaign from April to August 2020 (16k emails/SMS) to encourage commercial customers to provide a meter read, where safe and within Government guidelines to do so. As meter reading by NIE Networks had been suspended, this was important to keep customers' bills as accurate as possible and to ensure they only paid for their actual consumption and not for an estimated meter reading that would assume business as usual.

Practical volunteering was a challenge during 2020 but Age NI introduced a telephone service, Check In and Chat so that people over 60s could stay connected during the COVID-19 pandemic.

A weekly telephone call to an older person is an excellent way to help older people to cope with the challenges of isolation and loneliness which they have faced during COVID-19. Twenty Power NI staff have been making weekly calls to their older person since November 2020.

Power NI responded quickly to the community need which came as a result of the onset of the COVID-19 pandemic. A Community Response Fund was established in April 2020 and distributed over €30,000 to 14 of Power NI's close charity partners including Age NI, Dementia NI, Macmillan Cancer Support, Action Mental Health and Advice NI.

As with all of Power NI's external community programmes, support for our staff and their communities was also provided and a total of 29 groups affiliated with our staff were awarded funding totalling €9,500. The Community Response Fund gave staff the opportunity to apply for €280 for their own community work and indeed many Power NI staff delivered meals to those who were shielding, distributed PPE and some even made scrubs and were delighted that they could financially support their local community efforts.

For some customers who had to temporarily close or reduce their operating hours, we engaged with them and in some cases estimated a lower than usual consumption rate for them, by agreement with NIE Networks and the Utility Regulator.

Energia undertook a very similar approach to dealing with business customers affected by COVID-19 and undertook extensive engagement. As well as a meter reading campaign, Energia implemented a temporary (May-July) COVID-19 Supply Suspension Scheme for commercial customers, introduced by the Commission for Regulation of Utilities. Businesses were required to register for the Scheme and could only do so if they were to remain closed for the Scheme's duration. Participation in the Scheme allowed affected businesses to avoid network charges for both gas and electricity for the 3-month period.

Energia sent over 20k individual email/SMS correspondences to customers and had over 3,500 customers register for the Scheme. Unlike in NI, it was not possible to estimate a customers consumption on their behalf or register a customer for the Scheme without their explicit consent.

Energia and Power NI continue to work with all customers affected by COVID-19 and recognise there may be further challenges for individuals and businesses in the future as we recover from the effects of COVID-19.

Products and Services

Green Supply

Since 2014 Energia has provided 100% renewable electricity to all its customers in Ireland.[xi] In FY21, it is estimated our customers avoided or offset c.829,200 t/CO_2, just by choosing Energia as a 100% green energy supplier. Over 70% of this climate benefit is attributable to our renewable generation portfolio and the avoided thermal generation, with the remainder being the estimated carbon offset benefit from purchasing renewable Guarantees of Origin from other European countries.

In November 2020 Power NI's 100% renewable energy tariff, 'Eco Energy', was relaunched for staff and a small cohort of customers with a wider roll out planned for 2021. Over 7,300 customers (2020 - 6,800 customers) are registered for 'EcoEnergy'.

In FY21, it's estimated our customers avoided c.309,000 tCO_2, just by choosing Power NI as their energy supplier. Power NI did not purchase renewable Guarantees of Origin in FY21.

Smart Services

As customers are increasingly seeking more detailed insights into their energy usage, both Energia and Power NI have developed a range of products to meet these needs.

In Ireland, the Commission for Regulation of Utilities is co-ordinating the National Smart Metering Programme which will see traditional analogue meters in customer premises being replaced with modern smart meters. ESB Networks commenced the replacement of meters in Autumn 2019 and will continue to replace 500,000 meters per annum until 2024.

On 15 February 2021, Energia successfully implemented the changes to its systems required in order to offer smart services to its customers. The market go-live for offering smart services to customers was on 1 March 2021 and Energia has launched a series of “Home Connect” products for customers with smart meters.

In NI, Power NI developed Power NI Bot, a pre-smart solution using traditional meters to provide customers with ‘smart’ energy insights via an app. This is the first product to leverage the Group’s new digital platform, which enables faster deployment of new digital products and services, as well as underpinning Energia’s compliance with the Smart Meter Programme in the RoI.

Internet of Things (IoT) metering for business customers, in particular group accounts, will provide energy managers with detailed energy insights and reporting capabilities across their portfolio of sites. Power NI’s Keypad Plus trial also supports customers with detailed half-hourly interval insights to help them better control their energy usage.

Power NI’s portfolio of 50kW - 1MW renewable generation PPA customers are also provided with detailed insights to enable them to better manage their generation assets.

Prosumers

With a growing prosumer market in Ireland, and a relatively developed market in NI, the Customer Solutions business continued to seek ways to support residential customers with onsite microgeneration. A self-serve web-based platform has been developed to enable customers to manage their generators and associated incentive benefits.

A trial has been completed to understand the benefits of optimising on-site storage in parallel with microgeneration. Working with UK-based battery and platform provider, Moixa and supported by EirGrid, the trial successfully demonstrated the ability of an aggregated fleet of storage batteries in customers' homes to provide grid services. Energia is the first supplier in Ireland to trial this solution.

Power NI continues to offer a renewable microgeneration tariff which offers customer rewards for the value of ROCs and electricity generated and exported to the network. Nearly 10,400 sites (2020 - 12,400 sites) use this service and Power NI acts as an Ofgem Agent on behalf of more than 9,500 sites. Power NI continues to see a small number of export only sites registering on the microgeneration tariff, mainly for solar PV, showing there is still interest within the residential market for small scale renewables. There are 611 in total with 235 registered since April 2020.

A customer engagement project was initiated in August 2020 to improve the overall Microgen position. Several key areas were identified to look at including customer and stakeholder engagement, system and process improvements and marketing. Key actions included a switch campaign, newspaper ads in the Belfast Telegraph, updated videos and social media campaign and testimonial videos recorded for use on the Power NI website.

Online Platforms

Additional features were added to enhance the experience of customers using One Account, the Group's online platform for customer engagement, communication, service, rewards, payments and account management which allows customers to view bills, make payments and self-serve.

Across Energia and Power NI, over 325,000 customers have registered for Energy Online, the online account to enable customers to view their bills, submit their meter readings and view their electricity consumption.

Energy Online	Energia	Power NI
Registrations	173,086	154,460
% Base Registered	84.5%	34.5%
Logins	202,000	113,000
App Installs	32,000	2,120

Innovation

Connect 360

Working with a Dublin-based start-up, Connect360 was developed and launched to offer business customers an accessible way to monitor energy use throughout their buildings.

Using IOT hardware, Connect360 provides data that shows previously unmeasured areas of underperformance and inefficiency allowing businesses to take the necessary steps to optimise their operating conditions.

Ultimately Energia Connect360 will allow businesses to take charge of their energy consumption and asset performance, saving money and making businesses more sustainable.

Keypad+

With nearly 45% of customers in NI using a Keypad 'pay as you go' meter, Power NI was keen to explore how they might bring some innovation to this significant market.

Working with partners, Secure Meters and BT Eckoh, and network operator NIE Networks, Power NI initiated a trial of a Bluetooth-enabled freedom unit which connects to a customer's smartphone. This enabled interaction between the new Keypad freedom units and the Power NI Keypad+ app via Bluetooth.

This is a significant step forward for the customer experience, essentially transforming a standard pre-pay meter into a smarter meter, giving customers access to a range of new features.

What Connect360 will do for your business

Optimises Temperature

Monitoring air conditioning to ensure it only heats or cools when required and identify overheating or overcooling.

Flatten Energy Spikes

Ensure machines only run when they're required in line with your business schedule and spikes in energy consumption are reduced.

Smart Capex Insights

With all the energy data available you can establish meaningful baselines, and you will gain data-driven insights to inform Capex decisions.

How Connect360 saves you money

Reduced Energy Bills

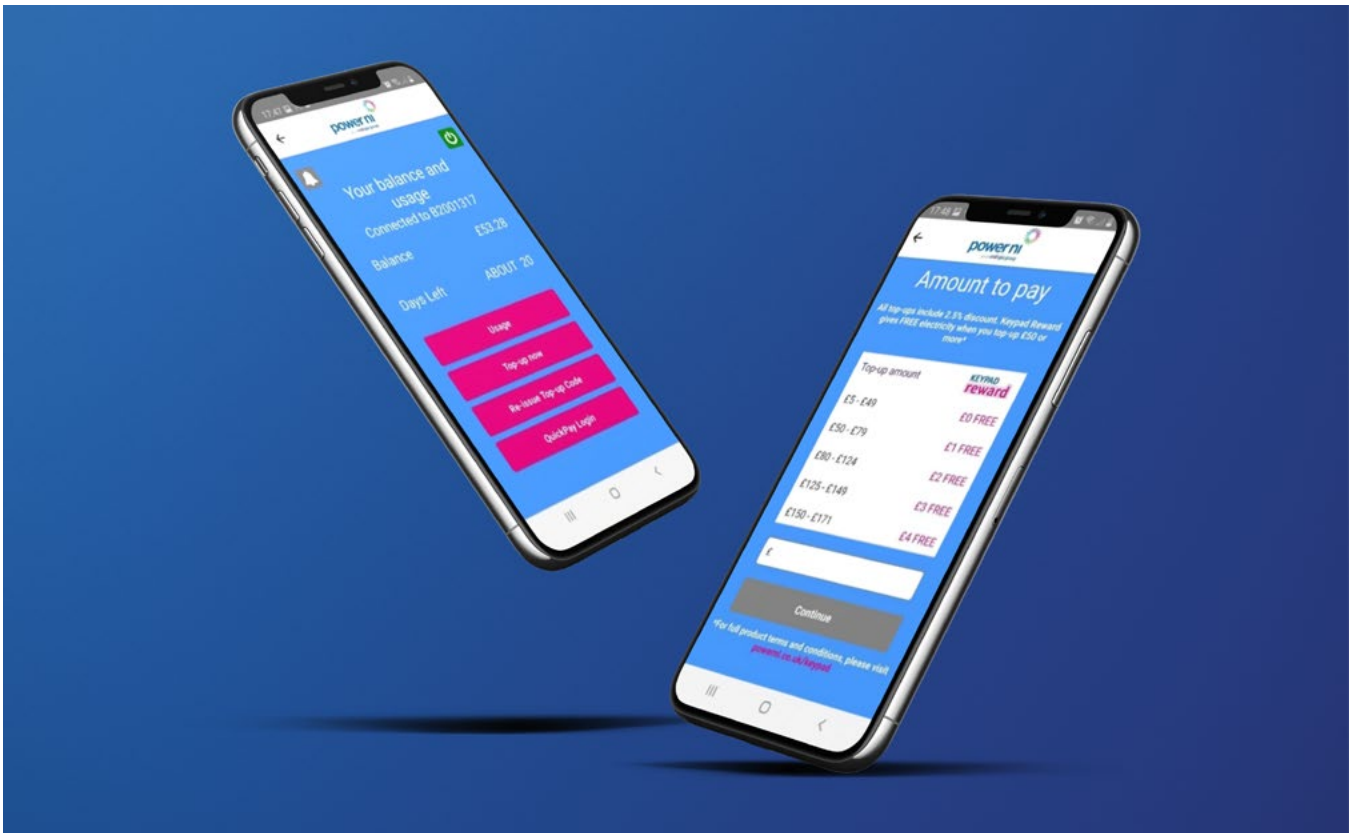
Because your equipment is only running when it's required you'll eliminate energy waste which adds up to big annual savings.

No Upfront Costs

Connect360's costs are spread out in your monthly energy bill making it an affordable option for your business.

Reduced Maintenance Costs

Increase the lifespan of your assets and reduce their maintenance costs by ensuring equipment is running only when required.



EV Home Charging Infrastructure Partnerships

Energia and Opel have entered into a collaboration in a bid to simplify the transition to electric vehicles for Irish consumers.

Energia is providing electric vehicle home charging infrastructure and renewable electricity residential tariffs for customers of Opel dealerships who purchase an Opel EV, as well as green energy tariffs to participating dealerships.

In March 2021 this was extended to include Hyundai. The partnership provides customers buying a new Hyundai EV with a free EV charger as well as a 20% saving on green energy with Energia.

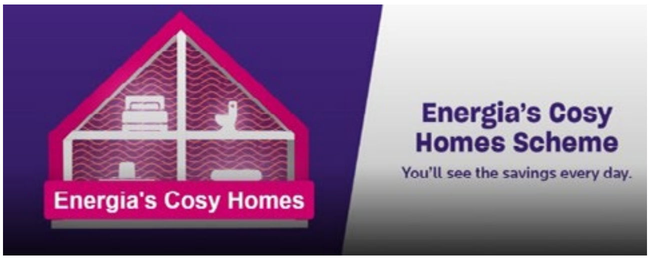
Energy Efficiency

During the year, through the Energy Efficiency Obligation Scheme in Ireland, approved by the SEAI, Energia provided funding for non-residential energy efficiency projects of €1.8m implementing a total of 55 projects with estimated annual energy savings of 53.3 GWh Primary Electrical Energy (PEE). This represents an estimated annual saving of 12,641 tCO_2 savings and annual customer benefits of over €3.5m.[xii]

Through the Residential EEOS in Ireland, approved by the SEAI, Energia provided funding for energy efficiency projects of €1.6m (€1.4m Residential, €0.2m Fuel Poor) implementing a total of 5,611 projects with estimated annual energy savings of 11.5 GWh PEE. This represents estimated annual savings of 2,730 tonnes of CO_2 and annual customer benefits of over €1.0m. Energia continues to pursue new and innovative services aimed at increasing awareness and offering customers energy efficiency solutions. In addition to gas boiler servicing, Energia offers customers a smart thermostat that enables control of the heating system from a smartphone, tablet or PC resulting in the ability to make real energy savings. This year, Energia reached 10,000 installations of its smart thermostat.


Netatmo Smart Thermostat

Energia's Cosy Homes scheme offers customers a range of energy efficiency products such as roof and cavity wall insulation, boiler upgrades and solar panels.



Energia has now launched their CU Greener Homes initiative which utilises SEAI's grants in conjunction with low interest loans provided by the Irish League of Credit Unions to fund deep retrofits in Irish homes to help meet Ireland's National Retrofit Programme.

L-R:Paul Bailey (Irish League of Credit Unions), Cormac Mannion (Energia) and Rory Clarke (House2Home).

Energia continues to run customer information programmes particularly aimed at energy efficiency for all industrial and commercial customers. These programmes include energy awareness days and energy efficiency literature.

With the use of social media becoming more prevalent and customer engagement channels broadening, Energia is increasingly using these channels to run competitions and make customer offers.

Along with these programmes, Energia offers energy efficiency grants through its Cash for Kilowatts scheme. This scheme offers businesses a grant of up to 30% on an energy efficiency upgrade.

Energia has also launched a Lighting Solutions scheme which allows Energia customers to upgrade their lighting and repay the capital costs through their energy bills. Due to COVID-19, lighting retrofits were severely curtailed but Energia are now engaging with over 100 commercial and industrial customers to provide them with top of the range energy efficient lighting.

In NI, during the year Power NI and Energia had €0.45m of schemes approved through the NISEP programme. This totalled four schemes with estimated lifetime reductions of 100 GWh in energy demand. This represents an estimated lifetime benefit of 43,500 tonnes of CO_2 savings (2,493 tCO_2 in FY21) and customer benefits in excess of €13.8m.

The Energia and Power NI website provides a wide range of information and advice on energy efficiency and renewable energy.

2020/21 AWARDS

WINNER

- **Most Sustainable Electricity and Gas Provider 2021 - Ireland**
  (Corporate Excellence Awards)
- **Best Dual Fuel Plan**
  (Bonkers National Consumer Awards 2021)
  Energia
- **Best Use of Insights**
  (ESA Awards 2021)
  Energia
- **Vulnerable Situations - Gold**
  (The UK Complaint Handling Awards 2021)
  Energia Customer Solutions
- **Complaint Handling Team of the Year - Silver**
  (The UK Complaint Handling Awards 2021)
  Energia Customer Solutions
- **Most Improved Complaint Handling - Bronze**
  (The UK Complaint Handling Awards 2021)
  Energia Customer Solutions
- **Community Team of the Year**
  (Contact Centre Northern Ireland Awards 2020)
  Power NI
- **Agent of the Year**
  (Contact Centre Northern Ireland Awards 2020)
  Power NI
- **Best Vulnerable Customer Support Team**
  (Utilities and Telecoms Awards 2020)
  Power NI
- **Gradam Margaíochta le Gaeilge**
  (All Ireland Marketing Awards 2020)
  Energia
- **Digital Innovation of the Year**
  (Digital DNA Awards 2020)
  Power NI
- **The Green Energy Provider Award**
  (Green Awards 2020)
  Energia
- **Responsible Business Champion for 2020**
  (Business in the Community NI)
  Power NI

HIGHLY COMMENDED

- **Purpose-Led Sponsorship**
  (ESA Awards 2021)
  Energia
- **Sport Sponsorship < €1M**
  (ESA Awards 2021)
  Energia

Collaboration

Growing an ecosystem of collaboration partners is an important aspect of our innovation work at Energia Group.

Internally, our Innovation Hub has enabled people across the breadth of our organization to connect, collaborate and share best practice and during the year a machine learning group was established to work together in this growing area. We also introduced an innovation module to both our Graduate and Student Development Programmes.

Externally, we continue to work with both our established delivery partners including Capita, Accenture and Wipro, as well as exploring new collaborations.

An Energy Institute competition for start-ups in the energy sector, supported by Energia Group in 2019, has resulted in us working with two of the entrants. We have continued to support Catalyst, an organisation focused on stimulating innovation in NI and Energia Group is represented on the Catalyst Partnership Board.

We also continue to work with academia. Power NI is working with Ulster University on a trial with NI's largest social housing provider on the electrification of heating for low income households while Energia has been working with University College Dublin on a demand response initiative.


INNOVATION IS EVERYONE'S JOB
COLLABORATE
AND
SHARE
BIAS
FOR
ACTION
DIFFERENT
– CHALLENGE THE NORM
AND CREATE WINNERS
PROTOTYPE
ENGAGE*
IMPROVE
OUR POWER OUR FUTURE
energia
group

COLLEAGUES - KEY FIGURES

916

COLLEAGUES
(+68 ON FY20)

44% / 56%

GENDER DIVERSITY: GROUP IS
44% FEMALE AND 56% MALE

0

REPORTABLE OR LOST TIME
INCIDENTS WITHIN THE GROUP

26 / 629

WELLBEING: 26 INITIATIVES
PARTICIPATED IN BY 629 COLLEAGUES

Employment

At the end of FY21, the Group had 916 employees across the island. 196 employed in the Ireland and 720 employed in NI.

New Starts

In FY21 the Group had 164 new starts, contributing to an overall increase of 68 in the total number employed in the last year. In adherence with Government guidance and the relevant restrictions in relation to COVID-19, the vast majority of new starts during the year were on-boarded remotely to great effect. Over the course of the year we received over 4,500 applications for positions in the Group and almost 1,000 interviews were conducted remotely.

Graduate Programme

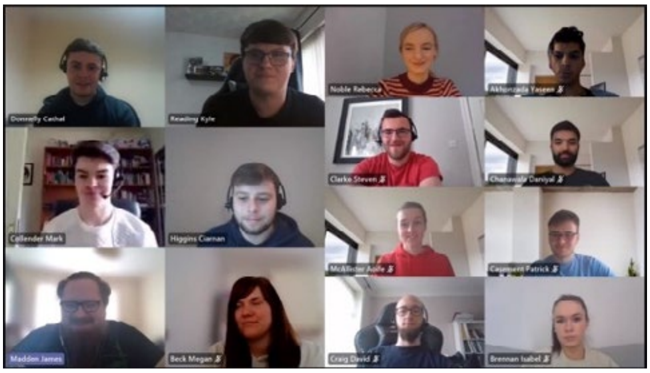
During the year, the Group launched a Graduate Programme, recruiting 15 graduates in total as part of this year's intake; 7 Finance graduates, 4 graduates for the General Programme which includes rotations across Trading, Service Operations, Regulation and Technology & Innovation, and 4 Engineering graduates.

Graduates rotate throughout the business and are supported by a bespoke development programme whilst having access to an assigned mentor. The finance graduates will also complete their professional accountancy qualification as part of the Programme.

Placement Students

The Group offered university placements to 17 students across different departments in our business over the last year. This year's intake came from Queen's University Belfast (8), Ulster University Jordanstown (3), Ulster University Magee (3), Dublin City University (2) and University College Dublin (1).

The placements for students last from six to twelve months and are offered across our businesses in Ireland and NI. The Group has invested in Learning and Development modules such as Teamworking; Innovation and Communicating with Impact to enable our students to develop wider business skills for their future careers. Unlike previous years, the FY21 students have worked remotely but as with previous years, have made a valuable contribution to the Group.



Green Tech Skillnet Skills Connect Programmes

Green Tech Skillnet is one of 24 Skillnet Ireland Learning Networks that have been funded to deliver Skills Connect programmes for those seeking to re-enter the workforce. Skills Connect facilitates the rapid reskilling of workers most impacted by COVID-19. Skills Connect training is free and is open to most unemployed people, subject to eligibility criteria.

Energia Group is an industry partner to this important initiative. The programmes offered focus on the wind industry and energy efficiency. Following an initial 4 weeks of training, participants spend a further 4 weeks with an industry host company on work placement. To date the Group has had one programme participant join our Renewables Operations & Performance team for a period of 4 weeks, which was extended to assist with delivering a data analytics project.

The Group has also committed to supporting the Skills Connect programme in the future, as we aim to enable the development of skills gaps within the energy industry.

Green Tech Skillnet

Skills CONNECT Reskilling Through Enterprise

energia group

Health and Safety

A priority for the Group is to ensure health and safety remains a key focus for all employees, including contractors and the general public, through the promotion of a positive health and safety culture and with adherence to legislation and recognised safety standards. The Group's Health, Safety and Environmental Policy aims to promote high standards and is supported by specific safety principles, rules, policies and procedures. Contractors must adhere to the same safety rules and requirements as employees.

The Group's Health and Safety management system is certified by the NSAI to ISO 45001:2018. The Group's approach to employment-related performance, such as safety and sickness absence, is to set targets in line with best practice. The Group regularly engages with relevant organisations including the Health and Safety Authority in Ireland as well as the Health and Safety Executive for Northern Ireland. Energia Group continues to be an active member of the Northern Ireland Safety Group.

Seven dedicated internal health and safety professionals are employed across the group, alongside an external health and safety consultant who provides advice and recommendations to management on a range of health and safety matters. Alongside in-house reviews, external audits are carried out on every part of the organisation at least one a year.

Excluding third-party contractors there were no reportable incidents or lost time incidents during FY21. Including third party contractors there was one reportable incident/lost time incident.

Sickness Absence

The Group believes that the pro-active management of illness and absenteeism is to the mutual benefit of the Group and its employees. The sickness absence rate for the Group in FY21 was 2.62%.

COVID-19 Response

During the COVID-19 pandemic the Group has successfully adapted to working from home and has transitioned all Learning and Development Programmes to online using Zoom and Microsoft Teams. The Group also continued to grow and recruit new employees during this time and now offers a virtual onboarding experience as part of its Induction Programme.

An internal Incident Management Team was set up to provide regular communications regarding COVID-19 and a dedicated COVID-19 information hub is available on the Group's intranet site where extensive advice on health, safety, wellbeing and mental health has been provided.

The Group has adapted its wellbeing programmes to ensure that all employees are supported accordingly during the pandemic. Managers have also been supported via weekly calls with the Group's HR Team and Manager forums.

During the year the Group completed two COVID-19 Pulse Surveys to understand how employees have been affected by the pandemic and to understand what the Group can do to support employees and families during these times.

The results of both surveys were extremely positive, with employees feeling connected, trusted to do their job and confident that the Group are managing the impact of COVID-19 effectively. The detailed results of the most recent (December 2020) survey were as follows:

COVID-19 Survey 2020	Response Rate
I am confident that my organisation is managing the impact of COVID-19 effectively	96%
I feel my concerns are being listened to by my organisation	77%
I feel I currently receive the support I need from the organisation	84%
My organisation's approach to COVID-19 is to put people first	86%
If/when I go into any of the offices I feel safe and government guidelines are being adhered to	79%
My manager gives the team clear direction	86%
I feel trusted to do my job	93%
I feel connected to my team and the organisation	75%
It is easy to work with the people I need to in order to get the job done	85%
When working remotely, it is easy for me to be as effective as I am when working where I usually do	79%

Learning and Development

The Group aims to align its Human Resources policies with key business drivers, which include performance improvement; cost reduction; business growth and innovation; and excellence in customer service. These policies are supported by clearly defined values and behaviours, a robust talent and performance management process, a strong commitment to employee and management development and organisational competence built upon appropriate capabilities and skills.

The Group's People Strategy ensures continuity with its strategic aims and is reviewed regularly to confirm its continued relevance to the organisation. The four key strategic areas are:

- talent management and learning and development
- employee engagement
- organisational effectiveness
- recognition and reward

The Group's Talent Management strategy aims to establish an integrated talent management process by ensuring an effective pipeline of leadership, scarce and business critical skills to ensure robust succession planning and protect business continuity, increase awareness of leadership and career development opportunities and accelerate development of high potential and scarce skill resources. The Talent Management process includes a Competency Framework which identifies the key values and competencies, including behavioural indicators, and how they are expected to be demonstrated by employees at various levels within the business.

This Competency Framework underpins the annual Performance and Development Review (PDR) process, which evaluates the performance of each individual against defined and agreed targets and objectives. It also enables individuals to discuss the competencies and identify their key strengths and those areas that could be further developed.

Learning and development needs are also identified through the PDR process to ensure that employees have a development plan in place which is aligned to their development needs. The Group encourages regular ongoing conversations between line managers and employees to ensure greater focus on career development.

During FY21 staff received 1,405 hours of training, with 578 employees across the Group attending a training course. Training in FY21, similar to other activities across the business, had to adapt to the Government guidelines and restrictions relating to COVID-19. This resulted in the training courses being provided online, in shorter, more concise sessions better suited to the remote environment.

The Talent Management process also includes annual Talent Forums for each business and key functional areas across the Group, to ensure that key skills and potential are identified in areas such as leadership, management, scarce skills, areas of specialism, etc. and that appropriate succession and development plans are in place. This also provides a consistent and transparent approach, offering a mechanism to develop employees to meet their full potential and to plan and manage their careers effectively.

Clear and open communication to all staff on these processes and their rationale ensures buy-in and general engagement in the Group's talent management activities.

The Group also has a Talent Steering Group in place. The purpose of the Talent Steering Group is to proactively develop our Talent pool through secondments, job rotations and job shadowing whilst ensuring that we have successors identified and developed accordingly.

Over the last number of years, the Group has embedded several development Programmes including:

- LEAP (Future Leaders' Programme)
- Aspire (High Potential Programme)
- Elevate (Senior Managers and Managers of teams)
- Evolve (New Management Programme)

and an Emerging Leaders Assessment Tool for those identified as High Potential and future successors. All programmes are complemented via the Group's Learning and Development Calendar, which is available to all employees. In September 2020 the Group won Best Talent Management Initiative at the CIPD Awards for two of its high potential programmes, Leap and Aspire.

The Group also launched a Mentoring Programme in 2020. Experienced mentors from across the business share their knowledge and experience with others. The mentors support new managers, graduates, employees returning from maternity leave, long-term absentees and anyone with a specific development need identified through the PDR process.

Wellbeing

Energia Group is committed to ensuring its employees are well looked after, cared for and supported in all that they do. Wellness is a core part of ensuring the Group operates effectively. During FY21 the Group's Wellbeing Programme included lunch and learn webinars on various topics including coping with life strategies, positive parenting, financial advice, remote working and mental health.

In January 2021 we launched our new wellbeing calendar themed around Mind, Body and Life. The calendar to date has had a focus on positive mental health via exercise including get fit classes, pilates and mindfulness sessions, webinars on resilience, posture, finding balance and switching off from social media.

Across the year the Group virtually delivered 26 wellbeing initiatives that were attended by 629 colleagues. There were also 23 articles and videos published for colleagues to access. The Group continues to invest heavily in its Wellness Programme which includes the provision of third-party occupational health and counselling services, private medicals and seasonal flu vaccines. The Group operates a Cycle to Work Scheme and offers Private Medical Insurance to eligible employees and has a Health Cash Plan for those employees not eligible for Private Medical Insurance. The Group also offers employees free gym membership with a local Belfast gym or in some cases an annual allowance towards gym membership fees. Alternatively, employees can avail of corporate gym memberships negotiated by the Group. Other benefits include free eye tests, a bought holidays scheme and the provision of a Sports and Social Club.

Employee Engagement

Employee communications occur through team briefings, communication and involvement groups (Connect Employee Engagement Forums), project groups, electronic communications and through interaction, consultation and negotiation with trade unions. Employee relations in all businesses are positive and constructive. There is a well-established arrangement for consultation and involvement throughout the Group and for negotiation with the relevant trade unions in Power NI.

In January 2021, the Group launched a HR Newsletter - All About You. The newsletter is being issued to all employees with the purpose to engage and enhance inclusion and connection.

Briefings

Throughout FY21 senior management provided regular updates on the Group's performance and looked ahead to the changes and challenges affecting the business and employees. These events replaced the usual in-person quarterly briefings delivered across the Group, with a mix of collective and business focussed briefings. As well as interactive briefings, the senior team also recorded a number of video messages throughout the year, the links to which were made available to all employees.

Earlier this year, the Group hosted a special online event with Mark Pollock, the international motivational speaker, explorer, and author who became the first blind man to race to the South Pole. The session focused on the impact COVID-19 has had on our lives and what we've learned from the last year. A short video with inputs from 16 colleagues across the Group describing their COVID-19 experience was a powerful introduction to Mark's keynote speech.

Mark's story was inspiring and his messages on the themes of building resilience, collaboration and being a competitor, really struck a cord with colleagues. The feedback on the event was overwhelmingly positive and the Group is looking at similar events in the future.

Connect Employee Engagement Forums

Across the Group there are three employee engagement forums that are referred to as Connect. The Connect members are colleagues who ensure effective two-way commitment and communication to and from the Group's senior management, and to and from employees across each area of the business. The objective of the forums is to promote positive relationships and employee practices, to involve colleagues in decision-making and to help foster innovation and ideas to improve the business.

Connect
Employee Engagement Forum

The Connect forums meet regularly to discuss matters relating to the following;

- Business Performance and Strategy
- Learning, Development and Wellbeing
- Social
- Corporate Social Responsibility
- Innovation
- Communication

The Connect members also raise relevant issues, questions or ideas from colleagues and discuss how to take them forward.

One of the initiatives Connect implemented in early 2021 was a series of videos with colleagues across the Group. The participants agreed to record a daily video for a week to give an insight to others across the Group of their life during COVID-19. The initiative was intended to maintain the human element of our workplace engagements and to share experiences and how people were adapting to changes.

Blues Busters

Throughout the year, the Blues Busters worked together to create fun activities and lift morale across the offices. Made up of engaged volunteers from within the business, the team go above and beyond their everyday roles to ensure these fun opportunities are never too far away for staff. From events and competitions, fancy dress, free food and prizes, games and Christmas celebrations, this team is focused on ensuring morale is high.

Due to COVID-19, the Blues Busters have had to completely change their approach and think about how to run events with all but those designated as essential workers, working from home. A variety of events have been delivered at different locations to get things back up and running, from Rainbow Week to the Blues Buster Airbus and Lockdown Lucky Dip.

Blues Busters were also recognised by Business in the Community NI for going above and beyond for staff engagement and workplace wellbeing during the pandemic. PwC have also interviewed some of the team, as part of a series they are preparing on these themes.
Work is ongoing to increase the scope of Blues Busters and to ensure their positivity is shared across the Group.

Lunch'n'Learn Series

In January 2021, a new series of online Lunch'n'Learn webinars commenced. These monthly, 30-minute events provide an opportunity to people across the Group to hear from a subject-matter expert on their work and the role they play within the Group. The webinars have covered topics including the Huntstown CCGTs, community engagement, trading and renewable transport.

External Engagement

The Group continues to engage with relevant external organisations including the Confederation of British Industry Employment Affairs Committee, the Equality Commission for NI, the Labour Relations Agency, Business in the Community, The Prince's Trust and the Irish Business and Employers' Confederation.

The Group also maintains links with the education sector and in particular with Queen's University Belfast, Ulster University, Dublin City University and University College Dublin.

Group staff are also actively involved in energy policy and representative bodies in Ireland, NI and Europe.

In Ireland, colleagues play a very active role in the Electricity Association of Ireland (EAI) and Wind Energy Ireland (WEI) through positions on the board and on all relevant Committees. As a member of Irish Business and Employers' Confederation (Ibec), Ireland's largest business advocacy group, colleagues also play an active role in relevant activities in both Ireland and Brussels.

GROWBox

As part of the Group's longstanding relationship with Grow It Yourself (GIY), 265 employees signed up for a GROWBox as part of the Energia Get Ireland Growing campaign. This nationwide campaign, discussed further below, aims to make it easy for you to grow your own vegetables at home and to help power a more sustainable future.

Energia Group Choir

The Energia Group choir, "Watta Sound", was formed in late 2020. The choir, comprising of 18 employees across the Group, took part in the Cork International Choral Festival in the 2021 Ibec Workplace Choir of the Year category. The resourcefulness and collaboration exhibited by colleagues in the choir is a further example of how the challenges of COVID-19 were turned into opportunities to work together and have some fun.

Green Team

The Green Team is made up of 28 members from all areas of Energia Group who are focussed on raising awareness and implementing initiatives promoting sustainability within the business and with colleagues.

A Green Team Newsletter is published every month, keeping employees informed about the latest green initiatives around the business. Useful information is also provided to help every employee play their part in recycling, saving energy and reducing waste. The Green Team covers a separate topic with each newsletter. Changes to our Environment, Fast Fashion, Climate Action, Eco-friendly Christmas, and finally, Less is More, have featured in newsletters throughout the last year.

Throughout 2020, the Green Team held the following initiatives and campaigns; Eco Halloween competition, Sustainable Fashion, Wind Farm Developments in Energia Group, and Eco Swaps as part of Sustainability Week.

Internally, the Group's Green Team continually seeks to improve the environmental status of the Group and reduce and better manage energy consumption and waste output. The Green Team have been successful in promoting environmental awareness among employees and encourage employees to practice better environmental behaviours and lifestyles both in and outside of the workplace. This year ongoing key objectives include encouraging employees to make sustainable switches and shop local.

The Green Team has also been successful in improving energy efficiency and reducing the Group's carbon footprint through the investment in two electric vehicles which are made available for business use by employees.

The Group has secured a partnership with a local supplier for employees to purchase their own electric vehicles and EV charging points have been installed at the Group's locations. Works involving upgraded LED lighting is nearing completion across the Group's office locations.

Policies

The Group has a wide range of family-friendly working arrangements including enhanced maternity and paternity provisions, adoption, parental leave, shared parental leave and flexible working. These policies are regularly reviewed and updated on an ongoing basis. The Group also has a number of formal policies in place including Employee Complaint and Grievance procedures, Code of Conduct and Disciplinary policies.

During the year the Group updated its Recruitment and Selection Policy, Equal Opportunities Policy, Reference Policy, Learning and Development Policy, Special Leave Policy, Annual Leave Policy, Force Majeure (RoI) Policy and Probation Policy. All policies are available to employees via the Group's intranet VOLT.

Dignity at Work

The Dignity at Work Policy and procedures underline the Group's commitment to equality and dignity at work for all and ensure an environment free from bullying and harassment.

Remuneration

The Group operates fair and visible remuneration policies which are externally benchmarked to ensure that employees are paid an appropriate salary for the work they undertake. The Group has an effective approach to recognition and reward, based on business and individual performance. Various reward schemes are in place including bonus schemes, excellence awards, reward and recognition bonuses and skills progression arrangements. Total reward statements, detailing an individual's full remuneration package, are issued to staff annually.

During the year a COVID-19 allowance was paid to employees to compensate for the increased costs of working from home and to recognise the commitment of those employees who were unable to work from home but continued to operate from their normal locations. The allowance ceased in May 2021 and has been incorporated into the cost of living pay award for the new financial year.

Equal opportunities

The Group is pro-active in implementing human resource policies and procedures to ensure compliance with fair employment, sex discrimination, equal pay, disability discrimination, race discrimination, sexual orientation and age discrimination legislation.

The Group's equal opportunities policy commits it to providing equality of opportunity for all employees and job applicants and it regularly monitors its actions to promote compliance with legislation and to ensure that it provides equality of opportunity in all its employment practices. Equal opportunity measures and statistics in respect of the relevant employing entities are reported formally to the Equality Commission for NI.

Disability

It is Group policy to provide people with disabilities equal opportunities for employment, training and career development, having regard to aptitude and ability. Any member of staff who becomes disabled during employment is given assistance and re-training where possible.

Diversity

The Group recognises the value of a diverse workforce and looks to offer equal opportunities to everyone. The Group has an excellent gender balance, with overall 44% of its employees, senior management and directors being female and 56% being male.

The Group's policies are intended to embed diversity within the workplace. The Group's Dignity at Work Policy supports dignity at work, prevention of harassment and discrimination and provides guidance for resolution. The Group's Equal Opportunities Policy provides guidelines on employment decisions such as recruitment, promotion and training whereas the Group's Recruitment and Selection Policy includes principles of equality of opportunity for all applicants and potential applicants throughout the recruitment process.

In June 2020 the Group was awarded the Bronze Diversity Charter Mark from Diversity Mark NI in recognition of the Group's commitment to diversity and inclusion. As part of the Bronze Diversity Charter Mark, we undertook a gender balance review and identified an action plan which included launching our Emerging Leaders Assessment to address the split of male/female within senior management positions.

In April 2021, the Group launched a new e-learn course to all employees on Equality and Diversity.

At 31 March	2021		2020	
	Male	Female	Male	Female
Energia Group Limited Board[1]	1	-	1	-
Energia Group NI Holdings Limited Board[2]	10	1	10	1
Senior Management[3]	8	4	8	3
Other Employees	507	397	455	387

[1] Directors appointed to the Board of the Company are not employed by the Group and are not included in the employee numbers shown in note 9 to the financial statements

[2] The Board of Energia Group NI Holdings Limited (EGNIHL) is the main operational Board for the Group. Non-Executive directors appointed to the Board of EGNIHL are not employed by the Group and are not included in the employee numbers shown in note 9 to the financial statements. Three Executive directors of EGNIHL (two males and one female) are also members of the Energia Group Management Board (EGMB) and also included in the numbers for Senior Management

[3] Senior Management comprises members of the EGMB and includes those senior managers who regularly attend EGMB meetings

International Women's Day 2021

In March 2021 the Group hosted a number of events to recognise International Women's Day. Senior leaders across Energia Group shared stories of women who have inspired them throughout their lives. Siobhan Bailey, Chief Financial Officer and Gillian McCaughtry, Head of Service Operations shared their career highlights and reflections on how they have achieved career success. Three female graduates also shared their journeys and experiences, and gave an insight into the Energia Group Graduate Development Programme.

A further outcome of the events was the establishment of an internal Women's Network. The network creates a safe space to share struggles, give and get advice, and celebrate each other's wins.

We also had many employees celebrating the theme of #ChoosetoChallenge, by raising a hand and encouraging an inclusive world.

COMMUNITY - KEY FIGURES

92

WINDFARM COMMUNITY BENEFIT FUND SUPPORTS 92 COMMUNITY GROUPS

NEW

MEENADREEN STUDENT BURSARY LAUNCHED IN CO. DONEGAL

33

BRIGHTER COMMUNITIES & HELPING HANDS IN THE COMMUNITY SUPPORT 33 COMMUNITY PROJECTS IN NI

OVER 10,000

CHRISTMAS FOODBANK DONATIONS, EQUIVALENT OF OVER 10,000 MEALS

Energia Group is commitment to communities

'Community focussed' is one of Energia Group's four core values. We recognise the important role our businesses play in providing the energy to power the day-to-day requirements of homes and businesses across the island. We are committed to playing our part in improving the lives of people and communities. Despite the challenges presented by COVID-19 and in some ways refocussed by them, we have maintained our focus on delivering on this commitment.

New schemes alongside existing, established schemes continued to be delivered for communities across the island, with a wide range of schemes all focused on making a positive impact.

On our renewable energy projects, we pride ourselves on our reputation for being responsible developers and good neighbours in the communities where we operate. We want to ensure existing and future projects provide positive local, regional and national benefits. That is why we prioritise community engagement at the design and development stage of our projects, through construction and into operation. We follow industry best practice guidelines and are working with Wind Energy Ireland, RenewableNI and Governments on the development of updated codes of practice for community engagement. Building positive working relationships and, above all, trust with local communities is key to the success of all our current and future projects.

More Powerful Together

As the COVID-19 pandemic and community pressures continued into 2021 and as a marker of 10 years of the Power NI brand name (as well as 90 years of electricity supply in NI), the More Powerful Together campaign was launched in February 2021. Two key activities have launched under this campaign so far; Power NI supported the Business in the Community NI 'Digital Donations Appeal' with a €22,400 donation.

The Appeal called on local businesses to help plug the digital gap where children and young people across NI have no access to computers, data or internet connection which makes home learning a struggle. Power NI joined the campaign with other large businesses in NI such as Belfast Harbour, Danske Bank and Allstate.

Power NI mirrored the external support with a staff fund to help local schools with their technology resources. Staff could apply for €585 for their local school and overall provided 50 grants to local schools for new iPads, printers, computers and laptops.

In addition to the financial support for local schools, Power NI launched the Power NI Teaching Hero Award in association with the local news platform, Belfast Live. Over 400 applications were received to nominate local teachers who had worked hard to keep their classes connected and still learning during the COVID-19 pandemic.

Power NI continued to be active corporate members of Women in Business and Arts & Business as well as Business in the Community NI.

Seachtain na Gaeilge

Energia proudly supported Seachtain na Gaeilge le Energia for our 5th year running in 2021.

The Irish Language festival which runs from 1st-17th March, until St Patrick's Day, went fully online this year with some great ambassadors expressing their #GráDonGhaeilge. The move online allowed for substantially higher participation rates for our customers and people with a bit of Grá for Gaeilge. We contributed funding to 113 community groups across Ireland to enable a wide variety of virtual events. The 2021 ambassadors for the festival included Imelda May, Irish singer and songwriter, Bláthnaid Treacy, TV and radio presenter, and Declan Hannon, Limerick Hurling Star.

Throughout Seachtain Gaeilge le Energia 2021, we released a beautiful launch video featuring Imelda May, radio ads, a 4-part series Podcast, and a Seachtain na Gaeilge Free-Kend Map of nationwide online events.

Get Ireland Growing

Since 2016 Energia and Grow it Yourself (GIY) have partnered together annually to launch Energia Get Ireland Growing, a nationwide campaign to get individuals, groups and communities growing their own food.

Energia Get Ireland Growing aims to make it easy for you to grow your own vegetables at home and to help power a more sustainable future. This year we have partnered with GIY to launch the first ever national Energia Get Ireland Growing Day on June 19th. With the pandemic forcing us to stay at home, there has been a surge in interest for growing your own food.

To help encourage people across the nation to get involved, Energia is giving away 1,000 large GROW boxes to people across Ireland worth €45,000.

Keeping Well this Winter & Age NI

Power NI engages with a wide range of organisations in the voluntary, public and private sectors focusing on social action and energy saving. During the year Power NI continued to work in partnership with Age NI in order to help improve older peoples' lives. Social media was used to provide practical information to older people, their carers and families and the winter campaign 'Keeping Well This Winter' was very successful with a printed reach of over 10,000 older people.

Building Belfast Back Better

Throughout 2020-21 Power NI continued to support local businesses. Delivered in partnership with Belfast Chamber of Trade and Commerce, 'Building Belfast Back Better' is a series of online events showcasing some of the major Belfast-based infrastructure projects that are in the pipeline over the next few years. The series has already hosted speakers from Translink, NI Water, KPMG and University of Ulster. These projects will create jobs, boost economic productivity, and help regenerate the city.

With Power NI's support, NI Chamber of Commerce and Industry's 'Learn Grow Excel' series continued, which encourages export growth in NI.

Free-Kend Map

Recognising that for some the barrier to enjoying cheap and free events in communities across Ireland is sometimes just information, Energia has regularly published a Free-Kend Map on social media. The events are sourced through extensive research with a number of agencies in the weeks leading up to the publication of each Map.

This is the fifth consecutive year in which we have produced the Free-Kend Map and over this time we have created 136 maps and promoted over 3,000 cheap or free events across Ireland.

During this time we have worked with ten of Ireland's top illustrators and incredibly the Maps have had over 3 million views.

Brighter Communities

During the year Power NI continued to operate the Brighter Communities funding programme which gives grassroots organisations the opportunity to receive €1,174 in funding. This is usually rolled out monthly but, given the situation with the pandemic, it was condensed into an autumn round and then a small round in March 2021.

Power NI awarded €15,262 of funding to 13 groups during the year. Groups receiving funding included: St John's Ambulance Antrim Branch, Eastside Partnership, Mount St Catherine's School Armagh and Eco NI's Nappy Library. Brighter Communities has been operating since April 2018 and has now invested around €50,000 in community groups across NI.

Helping Hands in the Community

Power NI continued to operate its 'Helping Hands in the Community' Scheme which is available for all employees to obtain support for an organisation/charity that they are involved with. In 2020, 20 projects were given up to €336 from Power NI (circa €6,700) and some of those supported include Antrim Coast Dance Academy, Omagh Hospitals Football Club, Support 2Gether Group and Mid-Ulster Festival of Creative Arts.

Cooley Nursery Unit in Omagh received a donation to support the purchase of a new outdoor storage unit for outdoor playing equipment.

Strathearn Preparatory Department in East Belfast received a donation to support its 'Growing Garden' project to enable it to purchase gardening herbs, vegetables and shrubs. The 'Growing Garden' is closely linked to the curriculum and, will help pupils develop key skills by getting hands on in the planning, developing and maintaining stages of this project.

Young Farmers' Clubs in NI

Power NI has been a valued supporter of the Young Farmers' Clubs of Ulster (YFCU) across NI for over 8 years. Their partnership continued in 2020 with Power NI becoming YFCU's COVID-19 Community Partner, supporting the organization with a grant scheme to help the clubs provide support to rural communities right across NI. Since 2013, Power NI has also supported their Club of the Year award.

Power NI is also proud to be a member of the Health and Safety Executive for NI (HSENI) Farm Safety Partnership Affiliate Scheme and is delighted to be a sponsor of the 2021 HSENI Farm Safety calendar.

Charitable Giving - Christmas 2020 Foodbanks

As a way of recognizing that Christmas 2020 was going to be difficult for so many people across Ireland, Energia Group supported foodbanks in Antrim, Omagh, Belfast and Dublin. €25 was donated per Energia Group staff member and represented, in some way, the funds which would have been used for staff Christmas celebrations.

Around €24,000 was donated to the foodbanks to provide for the equivalent of meals for 3-days for over 1,200 adults.

Ian Thom, CEO at a food bank in Belfast

Gary Ryan, MD Customer Solutions at food bank in Dublin

Charitable Giving - Dogs Trust

In FY21 the Group continued its charity partnership with Dogs Trust, Ireland's largest dog welfare charity. The charity working toward a day when all dogs can enjoy a happy life, free from the threat of unnecessary destruction.

Credit: Audrey@Pawtrait.ie

To achieve their mission, they rescue, care for and rehome stray and abandoned dogs, as well as educate the public about responsible dog ownership, with the ultimate aim of reducing the number of dogs put to sleep in Ireland.

Despite the challenges of fundraising and volunteering this year, the Charity Committee agreed a donation of €10,295 should be provided to Dogs Trust to support their ongoing work.

Credit: Dogs Trust

Meenadreen Wind Farm Student Bursary

Every year Energia's Meenadreen wind farm in south Donegal invests €90,000 in the local community and in 2020 we're proud and excited to have launched a student scholarship.

This year the fund is offering a bursary designed to support local students who are undertaking an undergraduate or postgraduate course and will prioritise areas of study which focus on sustainability. Funding will be provided to cover tuition costs up to €3,000.

It's hoped the new scholarship will help make a positive and lasting impact on the lives of young people living near the Meenadreen wind farm.

Global Wind Day June 2020

In June 2020 the Energia Renewables and Operations team had to rethink its plans to hold a wind farm Open Day to celebrate Global Wind Day.

Due to the COVID-19 pandemic, we couldn't organise school visits to allow pupils to find out more for themselves about wind, its power and potential to reshape our energy systems. Instead, we invited school children to get creative and draw a wind farm to win a prize for themselves - and their school.

The judges were blown away by the high standard of the entries and had a tough job awarding prizes.

Ruby Dalton from Scoil Naomh Eltin in Kinsale, Maximillian Macias from Ard Rí Community National School in Navan, Lucy McLernon from Scoil Lorcáin in Blackrock, and Wiktoria Cieniawa from St Catherine's Senior School in Dublin all won a prize for themselves - and a bigger prize for their school.

Ruby Dalton (Scoil Naomh Eltin, Kinsale)

Maximillian Macias (Ard Rí Community National School, Navan)

Lucy McLernon (Scoil Lorcáin, Blackrock)

Wiktoria Cieniawa (St Catherine's Senior School, Dublin)

energia group

Wind farm Community Benefit Funds

With 15 operational wind farms across the island of Ireland, Energia is now investing around €600,000 every year in its wind farm community benefit funds and local sponsorships, bringing the company's overall community investment to date to just over €2m.

Energia believes local communities deserve to benefit from the construction and operation of its wind farms and works with the Community Foundation for Ireland (CFI), Community Foundation NI (CFNI) and Fermanagh Trust to ensure this funding has the maximum positive and lasting impact in the areas where we operate.

Without support from these wind farm benefit funds, many valuable rural initiatives would struggle to find funding and we believe it is crucial that communities see tangible benefits from renewables as part of a just energy transition. Our wind farm Community Benefit Funds support community groups, voluntary organisations and environmental projects situated near our operational wind energy developments.

Where possible, we combine funds to offer strategic infrastructure project grants over a period of two to three years. For instance, by combining the annual community investment in our Altamuskin, Eshmore and Gortfinbar wind farms into one single 'Tyrone Three' fund, we are able to offer community groups in the surrounding areas an opportunity to apply for larger grants, whilst still making smaller amounts available for a wide range of activities and projects.

A total of 92 community groups, associations, schools and sporting organisations received grants from Energia Group's wind farm Community Benefit Funds in FY21. The Group utilises the services of third-parties to administer the funds its behalf to guarantee transparency, fairness and good governance. The breakdown of these investments was as follows:

	Annual Fund Investment	Groups allocated grants
The CFNI administers four community benefit funds on behalf of Energia, supporting communities living beside seven of our wind farms.		
Long Mountain and Glenbuck, Co. Antrim	€62,700	18
Rathsherry, Co. Antrim	€41,400	12
Thornog, Co. Tyrone	€47,000	6
Tyrone Three (Altamuskin, Eshmore & Gortfinbar), Co. Tyrone	€95,200	9
The Fermanagh Trust administers three wind farm community benefit funds on behalf of Energia:		
Teiges, Co. Fermanagh	€63,900	21
Cornavarrow & Slieveglass, Co. Tyrone	€121,000	16
The Community Foundation for Ireland administers our biggest wind farm fund for the Meenadreen Extension in Co. Donegal:		
Meenadreen, Co. Donegal	€90,000	10

Fund priorities promote sustainability goals and the majority of community group projects in receipt of wind farm fund grants help support physical wellbeing and mental health, improved access to local services, initiatives to address rural isolation, and improvements to public spaces and the environment.

According to the CFNI, CFI and Fermanagh Trust, the estimated reach of these projects is around 57,000.

Benefit fund case studies and quotes

Last year the Dojo Juniors in Ballymena received €2,800 from the Rathsherry wind farm Community Benefit Fund to pay for ju-jitsu training and equipment costs. The Dojo Juniors is a junior amateur ju-jitsu and mixed martial arts charity based in Ballymena and serving the surrounding area. David Toney, who manages The Dojo Martial Arts Centre in Ballymena, said:

> "The Dojo Juniors are unbelievably grateful to Rathsherry Community Benefit Fund for supporting our project. The Dojo Juniors have always prided ourselves in the work that we have done with children in the Ballymena area. Much of our work has been restricted over the last year and this funding is a lifeline to the charity in supporting our outreach work in local schools."

The nearby Broughshane & District Community Association was awarded a €2,240 grant towards the upkeep of the village.

In North Antrim, the Long Mountain Community Benefit Fund was able to pay for the cost of a new ceiling in the hall used by the Duneany Accordian Band.

The Dojo Juniors, Ballymena, Co. Antrim

Meanwhile, the Tyrone Three Community Benefit Fund, which supports communities living beside the Altamuskin, Eshmore and Gortfinbar wind farms, provided a €5,600 grant to the Termon Community Responders for the purchase of additional defibrillators. This team of volunteer emergency first-aiders has now expanded its reach to Altamuskin, Sixmilecross and Beragh. Their aim is to arrive on the scene of a potentially life-threatening emergency in the first vital minutes before the ambulance crew arrives.

Team coordinator, Paul Tallen, says the new equipment will help save lives:

> "When the NI Ambulance Service receives an emergency 999 call, we are alerted by text message and we can be on the scene in minutes. Our role is to assist until the ambulance arrives. It's a vital service. Early intervention is especially important for people with cardiac problems where rapid use of a defibrillator and CPR can increase their chance of survival."

Termon Community Responders

Teiges Fund Colebrooke Scouts

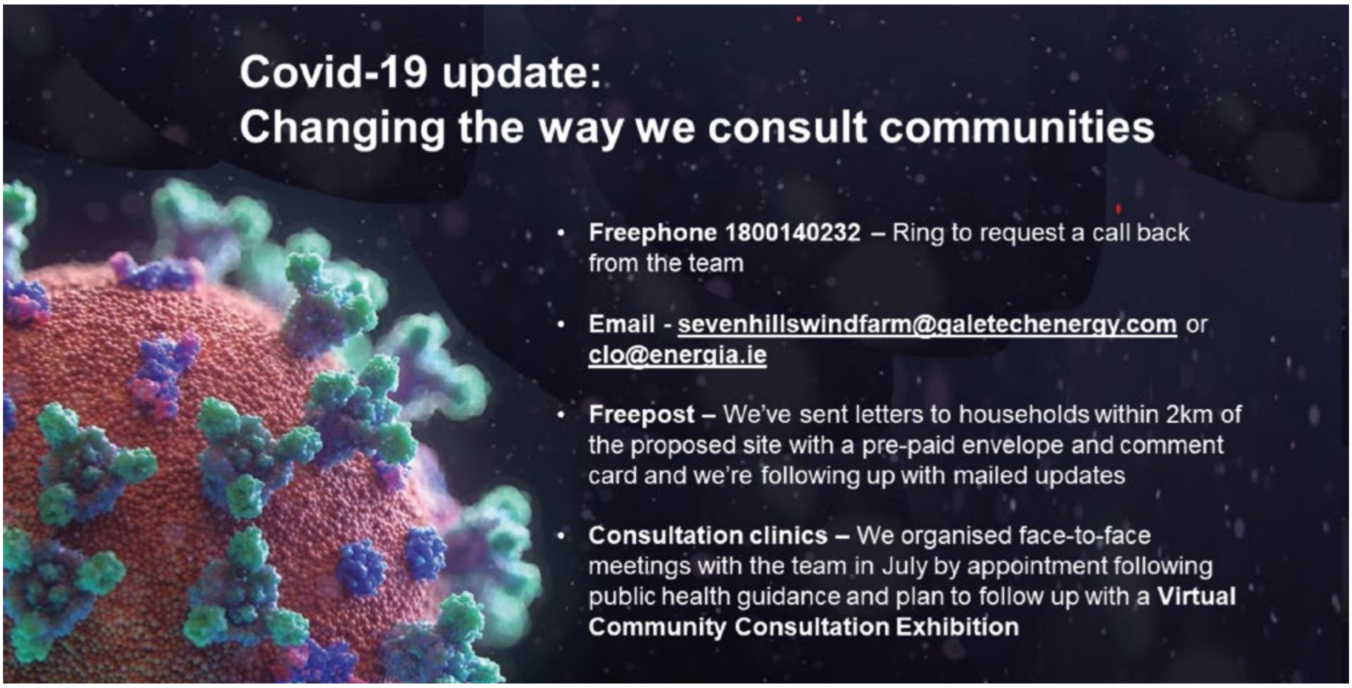
A €1,450 grant from the Teiges wind farm fund in County Fermanagh will help the Colebrooke Scout group to purchase outdoor activity equipment, including large troop tents.

COVID-19: changes to the way we engage with communities

Energia is committed to keeping communities safe. While our Renewables team would much prefer to meet local residents face-to-face, we had to put door-to-door visits and open-door public information exhibitions temporarily on hold in 2020 - in line with public health advice.

Throughout the past year, we have been providing information and answering questions using mail drops, freepost comment cards, freephone, call back, email and online services.

We have placed notices in local papers and recorded announcements for local radio. When able to do so, we organised clinics, following social distancing guidelines. We asked individual households to make an appointment to sit down and talk to us through a screen to facilitate face-to-face engagement. Additional clinics were organised to facilitate meeting requests.



All Ireland League (AIL) Awards

The 2019/20 Energia All Ireland League season regretfully ended in March 2020 as Ireland entered lockdown. The first virtual Energia AIL Awards, hosted by Irish actor and comedian Mario Rosenstock, was broadcast on 8th May 2020 across Energia's YouTube and Facebook channels.

The awards celebrated the action both on and off the pitch and highlighted some of the real skill, talent and incredible rugby seen from the players, as well as recognising all the hard work that goes on behind the scenes from clubs, volunteers and coaches who went above and beyond for the League.

The Energia AIL virtual awards proved to be a huge success with around 20,000 views on Facebook and around 2,000 views on YouTube.

Community Series

In October 2020, the Irish Rugby Football Union (IRFU) confirmed that the Energia Community Series had been suspended with immediate effect. The Community Series was organised as an alternative for the Energia AIL, allowing clubs to compete without travelling across provincial lines.

The action was scheduled to get underway with the start of the Energia Men's Community Series - a standalone competition that would pit AIL teams from within the same province against each other in league format.

However, following the suspension of the Community Series, the IRFU later confirmed a shortened Energia AIL, that would run from January to May 2021.

Energia continued their switching offer, where if someone signed up to become an Energia customer, Energia would donate €50 to their designated club.

Energia 7's Tournament and Festival

In May 2020, Energia Park in Dublin was due to play host to a three-day rugby 7's and Social TAG tournament. Due to the COVID-19 pandemic and in adherence with Government guidelines, the annual Festivals in 2020 and 2021 were postponed.

The rescheduled Festival is expected to take place on 3rd - 5th June 2022.
As well as the rugby tournament, the weekend Festival also includes live music performances and big screens, star player appearances, live entertainment, a food village and a family zone.

Mario Rosenstock - Return to Rugby Anthem

To celebrate the return of the Guinness Six Nations, Energia, with the help of comedian Mario Rosenstock, were determined to lift fan's spirits from the safety of their home, with the ultimate rugby anthem.

With no access to stadiums, Energia endeavoured to engage fans across the nation and encapsulate the excitement that would usually centre around this period. The Energia Return to Rugby Anthem had great viewership on all social platforms, and was pushed out on TodayFM.

The Power Behind Jordan Larmour - A Rollercoaster Season

Energia partnered with Leinster and Ireland highflyer, Jordan Larmour, as an ambassador to demonstrate the #PositiveEnergy within our young rising stars.

As one of the youngest professional rugby players in Ireland, we looked back on Jordan's 2019/20 season of rugby and provided insight into how he has dealt with some big losses and managed to stay positive and focused on his goals throughout lockdown.

Jordan Larmour provided us an insight into a rollercoaster 2019/20 season of rugby in a new two-part series following his documentary series in 2019.

Wexford Youths Women's Football Club

During the year Energia confirmed a new three-year sponsorship deal with Wexford Youths Women's Football Club. The sponsorship will cover the €500 annual membership fees of each player on the Women's senior squad, over a three-year period, with a key focus on supporting meaningful change within women's sport.
The Energia and Wexford Youths WFC partnership will make a huge difference in enabling the club to compete at an elite level.

Governance

Governance Structure

The Board of Energia Group NI Holdings Limited is the main operational Board for the Group. The EGNIHL Board comprises of three Executive Directors (Chief Executive Officer, Chief Financial Officer and Chief Operating Officer) and eight Non-Executive Directors. The EGNIHL Board of Directors meet formally six times a year plus other ad-hoc meetings as required to discharge their duties. Formal committees of the EGNIHL Board include an Audit Committee, Remuneration Committee, Risk Management Committee and the Energia Group Management Board.

The management of day-to-day operations of the Group is delegated to the EGMB. The EGMB meets monthly and comprises of 12 senior managers including the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, business unit Managing Directors and function heads. At each meeting the EGMB review Health & Safety, financial and business performance, strategic development initiatives, HR and IT. Progress on Environmental, Social and Governance (ESG) strategy and policies is reviewed bi-monthly. Each business unit has its own business management board which meets monthly with a business performance and operational focus.

Further information on the Group's structured and disciplined approach to the management of risk is set out in the "Risk Management and Principal Risks and Uncertainties" section of the Annual Report.

Policies

A key priority is to maintain a highly ethical approach to regulatory responsibilities, obligations under licences, public positioning and marketing of products and services. The Group aims to be transparent and ethical in all its dealings with third parties and has a number of policies in place to underpin this objective. Policies include Anti-Corruption and Bribery, Anti-Slavery and Human Trafficking, Code of Conduct and Whistleblowing Procedures, as well as the Group's corporate governance arrangements. During the year the Anti-Slavery and Human Trafficking policy was updated in line with recent UK Government guidelines.

As a major purchaser, the Group recognises that it has an opportunity to encourage suppliers of materials and services to deliver good environmental and safety performance and to maintain responsible practices towards their employees and the communities in which they operate. The Group's Procurement Policy is to source equipment, goods and services from a wide range of suppliers throughout the EU and beyond in accordance with commercial practices based on fairness and transparency. The Group's UK businesses are committed to ensuring transparency in their approach to tackling modern slavery consistent with the Modern Slavery Act 2015.

Where applicable, the Group adheres to the required tender procedures of the EU Procurement Directive as it relates to Utilities.

The Group recognises the important role that suppliers play in its business and works to ensure that payments are made to them in accordance with agreed contractual terms. The Group's NI operations for Energia and Power NI report on payment practices and performance in line with the requirements of the UK Government's Small Business, Enterprise and Employment Act 2015.

ISO Standards

The Group is certified ISO 45001:2018 Occupational Health and Safety Management Standard and ISO 14001:2015 Environmental Management Standard by the National Standards Authority of Ireland (NSAI).

During the year the Group's Renewables Business achieved certification to ISO 55001:2014 Asset Management in respect of its asset management system for renewable generation assets. ISO 55001:2014 is the international standard for asset management and associated life cycle engineering.

During the year Energia Group achieved the Business Working Responsibly Mark. The Mark, developed by Business in the Community Ireland and audited by the NSAI, is based on ISO 26000.

MANAGEMENT TEAM, OWNERSHIP AND DIRECTORSHIP

MANAGEMENT TEAM, OWNERSHIP AND DIRECTORSHIP

Management Team

The management team comprises:

Ian Thom - Chief Executive Officer

Ian has held the role of Chief Executive Officer since 2011. He joined the Group in 2001 as Company Secretary and General Counsel and was appointed to the Executive Committee in 2003. Prior to joining the Group, he served as the European Legal Director of OSI International Foods. He is a barrister by profession.

Siobhan Bailey - Chief Financial Officer

Siobhan has held the role of Chief Financial Officer since 2011. She joined the Group in 1999 and has held a number of roles, including Energia Finance Director from 2006 to 2011 and Group Treasury Manager from 2003 to 2006. She qualified as a Chartered Accountant with EY.

Tom Gillen - Chief Operating Officer

Tom has held his current role since 2011. He joined the Group in 2000 and has held a number of roles including Chief Operating Officer of Viridian Power and Energy from 2009 to 2011, Managing Director of Energia Supply from 2007 to 2009 and Trading Director from 2000 to 2007. Prior to this, Tom worked at ESB and Northern Electric, where he held various senior positions.

Peter Baillie - Managing Director, Renewables

Peter was appointed Managing Director, Renewables in 2020. Prior to this Peter held senior roles within Energia including Managing Director, Renewables since 2008 and Finance Director. Peter has also held several other senior management positions within the Group since joining in 1989. He qualified as a Chartered Accountant with PricewaterhouseCoopers.

John Newman - Managing Director, Flexible Generation, Trading and Regulation

John was appointed Managing Director, Flexible Generation, Regulation and Trading in 2020. He joined the Group in 2002 and has held a number of senior roles within Energia, most recently Director of Trading & Regulation since 2008. Prior to this John worked at Northern Electric where he held a number of senior roles.

Roy Foreman - Managing Director, Power Procurement Business

Roy was appointed Managing Director, Power Procurement Business in 2002. He joined the Group in 1986 and has held a number of senior positions including Manager of Power Planning Economics from 1992 to 2002.

Gary Ryan - Managing Director, Customer Solutions

Gary was appointed Managing Director, Customer Solutions in 2020. He joined the Group in 2000 and has held a number of senior roles within Energia including Managing Director, Sales & Marketing Director and Head of Sales. Prior to joining the Group, Gary held senior finance, marketing and management consultancy roles at Tedcastle Oil Group. He qualified as a Chartered Accountant with PricewaterhouseCoopers.

Garrett Donnellan - Managing Director, Corporate Development

Garrett has been in his current role since 2012. Prior to this, Garrett held various senior management positions within the Group, including Renewables Finance Director and Generation Finance Director. He qualified as a Chartered Accountant with PricewaterhouseCoopers.

Catherine Gardiner - Chief Information Officer

Catherine was appointed Chief Information Officer in 2011 with responsibility for Strategic Projects and Technology Operations. Prior to this, Catherine was Head of Operations for Energia and has held several other management positions within the Group since joining in 2000.

Michele Hanley - Director of Human Resources

Michele was appointed Group HR Director in 2015. Prior to this, Michele was Organisational Development Manager and HR Business Partner with Translink (NI's public transport provider). She has experience in senior HR roles across various sectors, including FMCG, IT and Construction. She is a member of the Chartered Institute of Personnel and Development.

Anita Pollin - General Counsel

Anita was appointed General Counsel in 2020. She joined the Group in 2014 and has held the roles of Group Head of Legal and Governance from 2017 to 2020 and Head of Legal, Energia from 2014 to 2017. Prior to this, Anita held legal roles at NI Water and McGrigors.

Alwyn Whitford - Company Secretary

Alwyn was appointed Company Secretary of the Group in 2011. Prior to this Alwyn was Group Corporate Finance Manager and has held several other senior management positions within the Group since joining in 2000. He qualified as a Chartered Accountant with EY.

Ownership

The Company's parent is Energia Group TopCo Limited. Energia Group TopCo Limited is majority owned by ISQ Viridian Holdings L.P., a limited partnership incorporated in the Cayman Islands. ISQ Viridian Holdings L.P. is owned by the ISQ Global Infrastructure Fund (the Fund) and ISQ Viridian Co-Invest L.P., a co-investment vehicle for the Fund. The Fund is managed by I Squared Capital.

I Squared Capital is an independent global infrastructure investment manager with over $27 billion of assets under management focusing on the energy, utilities, digital infrastructure, transport and social infrastructures sectors in the Americas, Europe, and Asia. The firm has offices in Miami, New York, London, New Delhi, Hong Kong and Singapore.

Directorship

The Director of the Company who held office during the period was Ronald Schweizer. Ronald is a representative of I Squared Capital and his background and experience is summarised as follows.

Ronald Schweizer

Ronald Schweizer is Chief Financial Officer at I Squared Capital and joined the Board on 29 April 2016 following the acquisition of the Group by I Squared Capital. He has over 20 years' experience in private equity and investment banking. Prior to I Squared Capital, Ronald served as Senior Vice President & Head of Alternative Investment Finance at PineBridge Investments where he was responsible for the accounting and operations for PineBridge's alternative investments products and oversight of all investment valuations. Ronald has also served as Controller at Strategic Value Partners where he was responsible for the financial, operational, treasury and valuation aspects of two private equity funds. Earlier in his career, Ronald worked at J.P. Morgan Partners as a Vice President in Funds Management and at Morgan Stanley as a Manager. Ronald began his career at EY where he spent six years in their Audit & Assurance group.

The Director considers the strategic and director's report and financial statements comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

The Strategic and Director's Report, as set out on pages 8-122 has been approved by the Board and signed on its behalf by:

Ronald Schweizer
Director

Registered office:
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Registered Number: 192375

2 June 2021

DIRECTOR'S RESPONSIBILITIES STATEMENT

DIRECTOR'S RESPONSIBILITIES STATEMENT

The Director is responsible for preparing the Group financial statements and has elected to prepare those accounts in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Accordingly, the Director is required to prepare Group financial statements which give a true and fair view of the financial position, the financial performance and cash flows of the Group and in preparing the Group financial statements, to:

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS as adopted by the EU is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- state whether the Group financial statements have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on a going concern basis unless it is appropriate to presume that the Company and/or the Group will not continue in business.

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group.

INDEPENDENT AUDITORS' REPORT

To the members of **Energia Group Limited**

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the consolidated financial statements of Energia Group Limited for the year ended 31 March 2021 which comprise the Consolidated Income Statement, Consolidated Statement of Other Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Change in Equity, Consolidated Statement of Cash Flows and the related notes 1 to 33, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is IFRS as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the Group's affairs as at 31 March 2021 and of its profit for the year then ended; and
- have been properly prepared in accordance with IFRS as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Group 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 consolidated financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the consolidated 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 Group's ability to continue as a going concern for a period of 21 months from when the consolidated financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director 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 group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the consolidated 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, 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements. 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.

Responsibilities of Directors

As explained more fully in the Director's responsibilities statement set out on page 124, the Director is 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 director determines 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 Director is responsible for assessing the Group'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 Director either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (IFRS) as adopted by the European Union and the relevant direct and indirect tax compliance regulation in the United Kingdom, RoI and Cayman Islands. In addition, the Group has to comply with laws and regulations relating to its operations, including health and safety, employees, data protection, anti-bribery and corruption and Electricity regulations in respect of the Group generation and supply activities.
- We understood how Energia Group Limited is complying with those frameworks by making enquires of management, internal audit and those responsible for legal and compliance procedures. We corroborated our enquires through our review of Board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies and noted that there was no contradictory evidence.
- We assessed the susceptibility of the Group's consolidated 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 journal meeting our defined risk criteria based on our understanding of the business, enquires of legal counsel, group and component team 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.

Use of our report

Use of our report This report is made solely to the company's directors, as a body, in accordance with our engagement letter dated 10 March 2021. Our audit work has been undertaken so that we might state to the company's directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Belfast
3 June 2021

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2021

	Notes	Results before exceptional items and certain remeasure-ments 2021 €m	Exceptional items and certain remeasure-ments (note 7) 2021 €m	Total 2021 €m	Results before exceptional items and certain remeasure-ments 2020 €m	Exceptional items and certain remeasure-ments (note 7) 2020 €m	Total 2020 €m
Revenue	4	1,899.1	-	1,899.1	1,905.8	-	1,905.8
Operating (costs) / income	6	(1,720.4)	7.3	(1,713.1)	(1,802.9)	0.8	(1,802.1)
Operating profit	4	**178.7**	**7.3**	**186.0**	**102.9**	**0.8**	**103.7**
Finance costs	10	(50.1)	-	(50.1)	(40.4)	-	(40.4)
Finance income	10	0.1	-	0.1	0.8	-	0.8
Net finance cost		(50.0)	-	(50.0)	(39.6)	-	(39.6)
Share of loss in associate		-	-	-	(0.2)	-	(0.2)
Profit on sale of associate		-	-	-	-	4.1	4.1
Profit before tax		**128.7**	**7.3**	**136.0**	**63.1**	**4.9**	**68.0**
Taxation	11	(17.5)	(0.8)	(18.3)	(6.5)	(0.7)	(7.2)
Profit for the year		**111.2**	**6.5**	**117.7**	**56.6**	**4.2**	**60.8**

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2021

	Notes	2021 €m	2020 €m
Profit for the year		**117.7**	**60.8**
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		25.5	(15.1)
Net gain / (loss) on cash flow hedges		97.3	(93.9)
Loss on cash flow hedges transferred from equity to income statement		13.0	35.9
Share of associates net gain on cash flow hedges		-	0.1
Income tax effect		(14.4)	6.1
		95.9	**(51.8)**
		121.4	**(66.9)**
Items that will not be reclassified to profit or loss:			
Remeasurement loss on defined benefit scheme	23	(1.6)	(1.5)
Income tax effect		0.3	0.5
		(1.3)	**(1.0)**
Other comprehensive income / (expense) for the year, net of taxation		**120.1**	**(67.9)**
Total comprehensive income / (expense)for the year		**237.8**	**(7.1)**

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CONSOLIDATED BALANCE SHEET

as at 31 March 2021

ASSETS	Notes	31 March 2021 €m	31 March 2020 €m
Non-current assets:			
Property, plant and equipment	12	582.5	568.5
Intangible assets	13	654.7	630.1
Right-of-use assets	29	26.5	25.3
Derivative financial instruments	25	8.0	2.5
Deferred tax assets	11	27.4	33.4
		1,299.1	**1,259.8**
Current assets:			
Intangible assets	13	84.9	68.0
Inventories		4.5	2.7
Trade and other receivables	18	264.8	219.4
Derivative financial instruments	25	63.7	23.4
Other current financial assets	17	12.7	12.5
Cash and cash equivalents	19	216.5	220.8
Income tax recoverable		-	0.1
		647.1	**546.9**
TOTAL ASSETS		**1,946.2**	**1,806.7**

LIABILITIES	Notes	31 March 2021 €m	31 March 2020 €m
Current liabilities:			
Trade and other payables	20	(392.4)	(439.7)
Income tax payable		(1.6)	-
Financial liabilities	21	(27.8)	(35.6)
Deferred income	22	(2.2)	(0.7)
Derivative financial instruments	25	(18.0)	(67.0)
Dividends payable	31	-	(40.0)
		(442.0)	**(583.0)**
Non-current liabilities:			
Financial liabilities	21	(985.5)	(949.6)
Derivative financial instruments	25	(15.4)	(37.5)
Net employee defined benefit liabilities	23	(0.1)	-
Deferred tax liabilities	11	(32.6)	(14.6)
Provisions	24	(32.2)	(21.5)
		(1,065.8)	**(1,023.2)**
TOTAL LIABILITIES		**(1,507.8)**	**(1,606.2)**
NET ASSETS		**438.4**	**200.5**
Equity			
Share capital	26	-	-
Share premium		775.9	746.5
Retained earnings		(404.9)	(490.0)
Capital contribution reserve		42.4	40.8
Hedge reserve		30.7	(65.6)
Foreign currency translation reserve		(5.7)	(31.2)
TOTAL EQUITY		**438.4**	**200.5**

The financial statements were approved by the Board and authorised for issue on 2 June 2021.
They were signed on its behalf by:

Ronald Schweizer
Director
Date: 2 June 2021

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

	Notes	Share capital €m	Share premium €m	Retained earnings €m	Capital contribution reserve €m	Hedge reserve €m	Foreign currency translation reserve €m	Total equity €m
At 1 April 2019		**-**	**766.6**	**(572.1)**	**83.0**	**(13.9)**	**(16.1)**	**247.5**
Exchange adjustment		-	(20.1)	22.2	(2.2)	0.1	-	-
Profit for the year		-	-	60.8	-	-	-	60.8
Other comprehensive expense		-	-	(1.0)	-	(51.8)	(15.1)	(67.9)
Total comprehensive (expense) / income		**-**	**(20.1)**	**82.0**	**(2.2)**	**(51.7)**	**(15.1)**	**(7.1)**
Dividend approved	31	-	-	-	(40.0)	-	-	(40.0)
Share-based payments	32	-	-	0.1	-	-	-	0.1
At 31 March 2020		**-**	**746.5**	**(490.0)**	**40.8**	**(65.6)**	**(31.2)**	**200.5**
Exchange adjustment		-	29.4	(31.4)	1.6	0.4	-	-
Profit for the year		-	-	117.7	-	-	-	117.7
Other comprehensive (expense) / income		-	-	(1.3)	-	95.9	25.5	120.1
Total comprehensive income		**-**	**29.4**	**85.0**	**1.6**	**96.3**	**25.5**	**237.8**
Share-based payments	32	-	-	0.1	-	-	-	0.1
At 31 March 2021		**-**	**775.9**	**(404.9)**	**42.4**	**30.7**	**(5.7)**	**438.4**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2021

	Notes	2021 €m	2020 €m
Cash generated from operations before working capital movements	27	**226.7**	**154.6**
Working capital adjustments:			
(Increase) / decrease in inventories		(1.8)	2.9
Increase in trade and other receivables		(45.0)	(1.9)
(Increase) / decrease in security deposits		(0.2)	0.5
(Decrease) / increase in trade and other payables		(47.3)	14.5
Effects of foreign exchange		(4.2)	4.7
		128.2	**175.3**
Interest received		0.1	0.5
Interest paid		(42.4)	(42.5)
		(42.3)	**(42.0)**
Income tax paid		(6.3)	(4.2)
Net cash flows from operating activities		**79.6**	**129.1**

energia group

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

for the year ended 31 March 2021

	Notes	2021 €m	2020 €m
Investing activities			
Purchase of property, plant and equipment		(25.6)	(49.0)
Purchase of intangible assets		(197.0)	(175.5)
Proceeds from sale of intangible assets		167.3	170.0
Disposal of subsidiary, net of cash disposed		(0.2)	(0.2)
Receipt of government grants		1.5	-
Acquisition of subsidiaries	15	(0.1)	(57.6)
Interest received from associate		-	0.3
Disposal of associate		-	6.5
Net cash flows used in investing activities		**(54.1)**	**(105.5)**
Financing activities			
Proceeds from issue of borrowings		50.2	27.9
Repayment of borrowings		(43.4)	(19.8)
Dividend paid to parent undertaking		(40.0)	-
Issue costs of new long-term loans		(1.4)	(1.2)
Payment of principal portion of lease liabilities		(2.9)	(2.6)
Net cash flows from financing activities		**(37.5)**	**4.3**
Net (decrease) / increase in cash and cash equivalents		**(12.0)**	**27.9**
Net foreign exchange difference		7.7	(3.7)
Cash and cash equivalents at 1 April	19	220.8	196.6
Cash and cash equivalents at 31 March	19	**216.5**	**220.8**

1. CORPORATE INFORMATION

The consolidated financial statements of Energia Group Limited and its subsidiaries (collectively, the Group) for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Director on 2 June 2021. Energia Group Limited (the Company or the parent) is a limited company incorporated and domiciled in the Cayman Islands. The registered office is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Group's operations and its principal activities are set out earlier in the Report on pages 8-9.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) as they apply to the financial statements of the Group for the year ended 31 March 2021.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, contingent consideration arising on business combinations and the assets of the Group's pension schemes that have been measured at fair value and the liabilities of the Group's pension schemes that are measured using the projected unit credit valuation method. The consolidated financial statements are presented in Euros with all values rounded to the nearest million (€m) except where otherwise indicated.

Going Concern

The Group's business activities, together with the principal risks and uncertainties likely to affect its future performance are described in the Strategic and Director's Report.

In assessing the appropriateness of the going concern basis of accounting, a detailed analysis of 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.

Having considered the matters above, the Director has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, therefore, continues to adopt the going concern basis in preparing the annual report and accounts.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) New and amended standards and interpretations

Certain standards and amendments apply for the first time in this set of financial statements, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements.

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of (i) the consideration transferred and measured at acquisition date fair value, and (ii) the amount of any non-controlling interests in the acquiree.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in the Income Statement in accordance with IFRS 9. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If a subsidiary is subsequently sold any goodwill arising on acquisition which has not been impaired is taken into account in determining the profit or loss on sale.

(c) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not control or have joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group sold its remaining associate interest in August 2019. The Group's investment in its associate was accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Income Statement reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Income Statement outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in the Income Statement.

(d) Fair value measurement

The Group measures financial instruments, such as derivatives, at each balance sheet date at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(e) Revenue from contracts with customers

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 Group 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 specific recognition criteria described below must also be met before revenue is recognised.

Renewable generation

The key revenue streams derived from the Renewable generation businesses include the generation of electricity through wholly owned wind assets and third party contracted PPAs across the Island of Ireland together with the sale of ROCs generated from the assets in NI. Revenue in relation to electricity generation is recognised over time and is only recognised when the performance obligation is satisfied in line with IFRS 15. Revenue generated from the I-SEM is settled both weekly and monthly in line with market settlement timelines, while revenue generated from ROCs are recognised at a point in time and settled in line with contractual settlement terms.

Flexible generation

Two key revenue streams are received by the Flexible Generation businesses Huntstown and PPB. Capacity revenue is recognised based upon the capacity (MW) provided to the I-SEM. Energy revenue is recognised based upon electricity units generated during the period at market price, including an allowance for any anticipated resettlement within the I-SEM. Units are based on energy volumes recorded by SEMO and these units are reconciled to the units recorded on the plant systems to ensure accuracy. Revenue in relation to electricity generation is recognised over time and is only recognised when the performance obligation is satisfied in line with IFRS 15. Revenue generated from the I-SEM is settled both weekly and monthly in line with market settlement timelines.

Customer solutions

Revenue is recognised on the basis of electricity and gas supplied during the period. This includes an assessment of electricity and gas supplied to customers between the date of the last meter reading and the balance sheet date, estimated using historical consumption patterns. Revenue for electricity and gas is recognised over time and only recognised when the performance obligation is satisfied in line with IFRS 15. Revenue recognised includes variable consideration in respect of estimated market resettlement. Electricity and gas revenues are invoiced on a monthly, bi-monthly and quarterly basis with standard credit terms of 14 days for residential customers. Credit terms for business customers vary by contract.

Contract balances

Contract assets (accrued income)

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group 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.

Trade receivables

A receivable represents the Group'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.

Contract liabilities (payments on account)
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs its performance obligation.

(f) Taxation

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 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 Group'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 basis 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 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 nor loss.

Deferred tax is not recognised in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period 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 relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

(g) Dividends payable

Dividends are recorded in the year in which shareholder approval is obtained.

(h) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold land is not depreciated. Other tangible fixed assets are depreciated on a straight-line basis so as to write off the cost, less estimated residual value, over their estimated useful economic lives as follows:

- Thermal generation assets - 12 to 30 years
- Renewable generation assets - 20 years
- Fixtures and equipment - 5 to 25 years
- Vehicles and mobile plant - 3 to 5 years.

(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Emissions allowances, renewable and energy efficiency obligations

The Group recognises purchased CO_2 emissions allowances, ROCs and energy efficiency credits (EECs) initially at cost (purchase price) within intangible assets and subsequently written down to their recoverable amount at the balance sheet date should this be less than the purchase price. Self-generated ROCs are initially recorded at fair value within intangible assets with a corresponding credit to energy costs in the income statement, and subsequently written down to their recoverable amount at the balance sheet date should this be less than the fair value on initial recognition. No amortisation is recorded during the period as the intangible asset is surrendered at the end of the compliance period reflecting the consumption of economic benefit. Emission allowances, energy efficiency obligations and ROCs will be realised within twelve months.

The Group recognises liabilities in respect of its obligations to deliver emissions allowances to the extent that the allowances to be delivered exceed the level of allocation under the EU emissions trading scheme. Any liabilities recognised are measured based on the current estimates of the amounts that will be required to satisfy the obligation. A liability for the renewables obligation and the climate change levy is recognised based on the level of electricity supplied to customers. A liability for the energy efficiency obligation under the EEOS is recognised if energy saving minimum targets are not achieved by the end of the compliance period. Any such liability is recognised on the compliance date (31 December) and is calculated by reference to the relevant penalty rates for volumes not achieved.

Computer software

The cost of acquiring computer software is capitalised and amortised on a straight-line basis over the Director's estimate of its useful economic life which is between three and five years. The carrying value of computer software is reviewed for impairment where events or changes in circumstances indicate that the carrying value may not be recoverable.

Development assets

Development assets arising from business combinations relate to value arising from the development of renewable projects which the Group believes will generate future economic benefits. Development assets are amortised from the date of commissioning of the renewable asset over its useful economic life which is twenty years.

At a point the project is no longer expected to reach construction the carrying amount of the project is impaired.

Customer acquisition costs

The incremental costs of obtaining a customer contract within the Customer Solutions businesses are capitalised and amortised on a basis that reflects the transfer of goods or services to the customer.

(j) Leases

Right-of-use assets

The Group 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 Group 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, while motor vehicles and other equipment generally have lease terms between 3 and 5 years. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating a lease, if the lease term reflects the Group 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 Group 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.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

(k) Financial instruments - initial recognition and subsequent measurement

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 assets' contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component or which the Group has applied the practical expedient, the Group 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price under IFRS 15.

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

The Group'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 Group. The Group 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 to trade and other receivables. 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.

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 Group's consolidated balance sheet) when the rights to receive cash flows from the asset has expired.

Impairment of financial assets
The Group 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 Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables and contract assets, the Group applied a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognised a loss allowance based on the lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicated that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the EIR method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

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 Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Subsequent measurement

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

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement.

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

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.

(l) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps, contracts for differences and forward commodity contracts, to hedge its foreign currency risks, interest rate risks, electricity price risk and other commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under IFRS 9 are recognised in the income statement as operating costs. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for cash flow hedge accounting are accounted for, as described below:

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement in operating costs. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the

hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency and commodity contracts is recognised in operating costs.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flows occur, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

(m) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the 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.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the income statement in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term bank deposits with a maturity of less than three months.

(o) Provisions

General

Provisions are recognised when (i) the Group has a present obligation (legal or constructive) as a result of a past event (ii) it is probable that an outflow of economic benefits will be required to settle the obligation and (iii) a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is included within finance costs.

Decommissioning liability

Provision is made for estimated decommissioning costs at the end of the estimated useful lives of generation assets on a discounted basis based on price levels and technology at the balance sheet date. Changes in these estimates and changes to the discount rates are added to or deducted from the capitalised cost of the asset to which they relate. Capitalised decommissioning costs are depreciated over the estimated useful lives of the related assets. The unwinding of the discount is included within finance costs.

(p) Exceptional items and certain remeasurements

As permitted by IAS 1 Presentation of Financial statements, the Group has disclosed additional information in respect of exceptional items on the face of the income statement to aid understanding of the Group's financial performance. An item is treated as exceptional if it is considered unusual by nature and scale and of such significance that separate disclosure is required for the financial statements to be properly understood. "Certain remeasurements" are remeasurements arising on certain commodity, interest rate and currency contracts which are not designated in hedge accounting relationships, and which are accounted for as held for trading in accordance with the Group's policy for such financial instruments.

This excludes commodity contracts not treated as financial instruments under IFRS 9 where held for the Group's own use requirements. Certain remeasurements arising from IFRS 9 are disclosed separately to aid understanding of the underlying performance of the Group.

(q) Pensions and other post-employment benefits

The Group 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 period in which they occur. Pension remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

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

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

- 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 consolidated income statement as they become payable.

(r) Inventories

Inventories are valued at the lower of average purchase price and net realisable value.

(s) Borrowing costs

Borrowing costs directly attributable to qualifying assets are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

(t) Foreign currency translation

The Group's consolidated financial statements are presented in Euro. Energia Group Limited's functional currency is sterling. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

On consolidation, the assets and liabilities of foreign operations are translated into Euro at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

(u) Share-based payments

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

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 32.

That cost is recognised in employee benefits expense (note 9), together with a corresponding increase in equity (retained earnings), 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 consolidated income statement 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.

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.

(v) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

(w) Significant accounting judgements, estimates and assumptions

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Exceptional items and certain remeasurements

The Group has disclosed additional information in respect of exceptional items on the face of the income statement to aid understanding of the Group's financial performance. An item is treated as exceptional if it is considered unusual by nature and scale and of such significance that separate disclosure is required for the financial statements to be properly understood. "Certain remeasurements" are remeasurements arising on certain commodity, interest rate and currency contracts which are not designated in hedge accounting relationships, and which are accounted for as held for trading in accordance with the Group's policy for such financial instruments.

This excludes commodity contracts not treated as financial instruments under IFRS 9 where held for the Group's own use requirements. Exceptional items and certain remeasurements have been outlined in note 7.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revenue recognition

Revenue on energy sales include an estimate of the value of electricity or gas supplied to customers between the date of the last meter reading and the year end. This will have been estimated by using historical consumption patterns. At the balance sheet date, the estimated consumption by customers will either have been billed or accrued (estimated unbilled revenue). Management apply judgement to the measurement of the quantum and valuation of the estimated consumption including an estimate in respect of the impact of COVID-19 to the level of unbilled revenue recognised based on their assessment of the customer's ability to pay. The judgements applied and the assumptions underpinning these judgements are considered to be appropriate.

However, a change in these assumptions would impact upon the amount of revenue recognised. Revenue recognised in the period has been outlined in note 5.

Impairment testing
The Group reviews the carrying amounts of its goodwill, other intangible assets and property, plant and equipment to determine whether there is any indication that the value of those assets is impaired. This requires an estimation of the value in use of the CGUs to which the assets are allocated which includes the estimation of future cash flows and the application of a suitable discount rate. Subsequent changes to these estimates or judgements may impact the carrying value of the assets within the respective CGUs. Impairment testing has been outlined in note 14.

Business combinations
Business combinations require a fair value exercise to be undertaken to allocate the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based to a considerable extent on management's judgement. The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of this purchase price to the identifiable assets and liabilities with any unallocated portion being recorded as goodwill. Business combinations have been outlined in note 15.

Pensions and other post-employment benefits
The Group 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 Group. Pensions and other post-employment benefits have been outlined in note 23.

Credit provisions for trade receivables
The Group applies the IFRS 9 simplified approach to calculate ECLs for trade receivables and uses a provision matrix. The matrix approach allows application of different rates to different groups of customers with similar characteristics. The provision matrix is initially based on the Group's historical observed default rates. The Group then calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Group has adjusted the ECL matrix for the forecast impact of COVID-19 . Information on the ECLs on the Group's trade receivables and contract assets together with further detail relating to the adjustments is disclosed in note 18.

Provision for I-SEM resettlement
The I-SEM market trading arrangements, which comprise a Day Ahead Market, Intra-Day Market and Balancing Market, have experienced volatility since the market commenced on 1 October 2018. The market has become more stable, with a number of fixes applied by the Market Operator, however the Group's energy purchase and supply businesses remain exposed to energy price resettlement risks. As at 31 March 2021 the Market Operator has resettled these markets up to mid December 2020 for M+4 resettlement and mid March 2020 for M+13 resettlement in line with the expected market resettlement timetable of 4 months and 13 months after initial settlement. Further market fixes are required to be implemented before the market settlement solution can be considered fully aligned to the market code requirements, with a number of additional resettlements to occur ranging across the full 30-month period since the market commenced.

The Group is therefore exposed to potential price resettlements in the balancing market and estimates the level of resettlement that may be applied. These estimates are based on known market anomalies as discussed in industry forums and facts and circumstances known at the Balance Sheet date. Estimations are dependent on the resettlement approach taken by the market operator. There is therefore a significant degree of judgement required in order to estimate the level of resettlement that will be applied. The current year estimate of c.6% (2020 - 15%) of balancing market revenues is considered a reasonable estimate and is supported by actual resettlements seen in the market to date, and reflect the various fixes applied by the market operator during the past 12 months. Further to the balancing market resettlement exposures outlined above, reflecting inaccuracies and errors at inception in the market code, the Group maintains provisions for potential incremental resettlement exposures in respect of fixed cost charges.

A quantitative sensitivity analysis in relation to these key assumptions shows that if the percentage used in the resettlement provisions were to increase or decrease by 1% for balancing market exposures the impact of this would be an increase or decrease to operating profit respectively of €1.8m and for a 5% movement in the provision relevant to fixed costs charges, the impact of this would be an increase or decrease to operating profit respectively of €0.5m.

(x) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The amendments are effective for annual periods beginning on or after 1 January 2021. The Group has had some initial discussions with Financial Institutions and is reviewing the impact of this for the year ahead.

4. SEGMENTAL ANALYSIS

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

(i) Renewables

The Renewables business owns and operates 309MW of wind assets and purchases electricity from 1,284MW of renewable generation capacity throughout Ireland. In addition, the Renewables business is currently constructing a 4MW bioenergy plant in Dublin.

(ii) Flexible Generation

Consists of electricity generation from the Group's two Huntstown CCGT plants together with the administration of the contracted generation capacity from the Ballylumford power station in NI under legacy generating unit agreements which were originally established in 1992 when the NI electricity industry was restructured;

(iii) Customer Solutions

Consists of the competitive supply of electricity and gas to business and residential customers in the RoI through its brand Energia, together with the supply of electricity to residential and business customers in NI through its brand Power NI.

The Group's Board monitors the operating results of its business units separately for the purpose of making decisions with regard to resource allocation and performance assessment. The measure of profit used by the Board is pro-forma EBITDA which is operating profit before exceptional items and certain remeasurements (arising from certain commodity and currency contracts which are not designated in hedge accounting relationships) and based on regulated entitlement (whereby the adjustment for over / (under) - recovery outlined in the segmental analysis below represents the amount by which the regulated businesses over / (under) - recovered against their regulated entitlement).

The Board also monitors revenue on a regulated entitlement basis.

energia group

(a) Revenue by segment

	2021 €m	2020 €m
Renewables	237.9	255.1
Flexible Generation	377.6	372.0
Customer Solutions	1,254.7	1,294.1
Inter-group eliminations	(5.5)	(8.5)
Group segment revenue	**1,864.7**	**1,912.7**
Adjustment for over / (under) - recovery:		
Flexible Generation	26.8	(11.8)
Customer Solutions	7.6	4.9
Total adjustment for over / (under) - recovery	**34.4**	**(6.9)**
Total revenue	**1,899.1**	**1,905.8**

The adjustment for over / (under) - recovery represents the amount by which the regulated businesses over / (under) - recovered against their regulated entitlement.

(b) Operating Profit

	2021 €m	2020 €m
Segment Pro-Forma EBITDA		
Renewables	66.9	66.9
Flexible Generation	61.7	45.8
Customer Solutions	65.5	51.4
Group Pro-Forma EBITDA	**194.1**	**164.1**
Adjustment for over / (under) - recovery	34.4	(6.9)
Group EBITDA	**228.5**	**157.2**
Depreciation / amortisation		
Renewables	(28.0)	(25.2)
Flexible Generation	(8.9)	(15.5)
Customer Solutions	(12.9)	(13.6)
Group depreciation and amortisation	**(49.8)**	**(54.3)**
Operating profit pre-exceptional items and certain remeasurements		
Renewables	38.9	41.7
Flexible Generation	52.8	30.3
Customer Solutions	52.6	37.8
Group Pro-Forma operating profit	**144.3**	**109.8**
Adjustment for over / (under) - recovery	34.4	(6.9)
Operating profit pre-exceptional items and certain remeasurements	**178.7**	**102.9**
Exceptional items and certain remeasurements		
Renewables	0.2	(0.8)
Flexible Generation	0.1	(0.1)
Customer Solutions	7.0	1.7
Group operating profit post exceptional items and certain remeasurements	**186.0**	**103.7**
Finance cost	(50.1)	(40.4)
Finance income	0.1	0.8
	(50.0)	**(39.6)**
Share of loss in associate	-	(0.2)
Profit on sale of associate	-	4.1
Profit on ordinary activities before tax	**136.0**	**68.0**

(c) Capital expenditure

Capital additions to property, plant and equipment	2021 €m	2020 €m
Renewables	20.2	26.5
Flexible Generation	6.9	17.7
Customer Solutions	1.1	1.5
Total	**28.2**	**45.7**
Capital additions to intangible assets		
Renewables	139.1	139.3
Flexible Generation	40.0	22.8
Customer Solutions	15.6	21.0
Total	**194.7**	**183.1**
Capital additions to right-of-use assets		
Renewables	-	3.2
Customer Solutions	0.1	0.2
Total	**0.1**	**3.4**

(d) Geographic information

Non-current operating assets	2021 €m	2020 €m
UK	514.6	518.1
RoI	749.1	705.8
Total	**1,263.7**	**1,223.9**

Non-current assets for this purpose consist of property, plant and equipment, intangible assets and right-of-use assets.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

5.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers for the year ending 31 March 2021:

2021	Renewables €m	Flexible Generation €m	Customer Solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	1,253.5	1,253.5
Electricity generation	235.8	377.6	-	613.4
Other	2.1	-	1.2	3.3
Inter-group eliminations	-	(5.0)	(0.5)	(5.5)
Group	**237.9**	**372.6**	**1,254.2**	**1,864.7**
Adjustment for over - recovery	-	26.8	7.6	34.4
Total revenue from contracts with customers	**237.9**	**399.4**	**1,261.8**	**1,899.1**

The Group primarily offers standard payment terms to customers of 14 days from date of invoice.

Set out below is the disaggregation of the Group's revenue from contracts with customers for the year ending 31 March 2020:

2020	Renewables €m	Flexible Generation €m	Customer solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	1,293.0	1,293.0
Electricity generation	254.9	372.0	-	626.9
Other	0.2	-	1.1	1.3
Inter-group eliminations	-	(7.9)	(0.6)	(8.5)
Group	**255.1**	**364.1**	**1,293.5**	**1,912.7**
Adjustment for (under) / over-recovery	-	(11.8)	4.9	(6.9)
Total revenue from contracts with customers	**255.1**	**352.3**	**1,298.4**	**1,905.8**

5.1 Disaggregated revenue information (contd.)

Geographical markets:	2021 €m	2020 €m
UK	809.0	859.7
RoI	1,090.1	1,046.1
Total revenue from contracts with customers	**1,899.1**	**1,905.8**
Timing of revenue recognition:		
Transferred over time	1,786.3	1,777.2
Transferred at a point in time	112.8	128.6
Total revenue from contracts with customers	**1,899.1**	**1,905.8**

Trade receivables arising from contracts with customers are disclosed in note 18.

6. OPERATING COSTS

	2021 €m	2020 €m
Operating costs are analysed as follows:		
Energy costs	1,539.5	1,612.6
Employee costs	46.5	43.8
Depreciation and amortisation	49.8	54.3
Other operating charges	84.6	92.2
Total pre-exceptional items and certain remeasurements	**1,720.4**	**1,802.9**
Exceptional costs and certain remeasurements:		
Energy income	(6.1)	(1.7)
Other operating (income) / charges	(1.2)	0.9
Total exceptional income and certain remeasurements	**(7.3)**	**(0.8)**
Total operating costs	**1,713.1**	**1,802.1**

6.1 Depreciation and amortisation

	2021 €m	2020 €m
Depreciation	35.3	39.5
Amortisation of intangible assets	12.6	13.0
Amortisation of right-of-use assets	1.9	1.8
Total depreciation and amortisation	**49.8**	**54.3**

7. EXCEPTIONAL ITEMS AND CERTAIN REMEASUREMENTS

	2021 €m	2020 €m
Exceptional items in arriving at profit from continuing operations:		
Acquisition costs[1]	(0.3)	(1.3)
Release of contingent consideration[2]	1.5	0.4
Profit on disposal of associate[3]	-	4.1
	1.2	**3.2**
Certain remeasurements in arriving at profit		
Net profit on derivatives at fair value through operating costs[4]	6.1	1.7
	6.1	**1.7**
Exceptional items and certain remeasurements before taxation	**7.3**	**4.9**
Taxation on exceptional items and certain remeasurements	(0.8)	(0.7)
Exceptional items and certain remeasurements after taxation	**6.5**	**4.2**

The tax charge in the profit and loss account relating to exceptional items and certain remeasurements is:

	2021 €m	2020 €m
Fair valued derivatives through profit and loss	(0.8)	(0.7)
	(0.8)	**(0.7)**

[1] Exceptional acquisition costs of €0.3m (2020 - €1.3m) relate to costs associated with acquisitions whether successful or unsuccessful.

[2] Release of contingent consideration of €1.5m (2020 - €0.4m) relates to a fair value adjustment to contingent consideration for renewable generation development projects.

[3] Profit on disposal of associate of €4.1m in the prior year relates to the net gain on disposal of the Group's minority interest in Eco Wind Power.

[4] Net profit on derivatives at fair value through operating costs of €6.1m (2020 - €1.7m) relates to fair value movements in commodity swap contracts and foreign exchange forward contracts relating to commodity purchases.

8. AUDITORS' REMUNERATION

The Group paid the following amounts to the Company's auditors or its associates in respect of the audit of the financial statements and for other services provided to the Group.

	2021 €'000	2020 €'000
Audit of these financial statements	47	54
Audit of subsidiaries pursuant to legislation	344	280
Other audit services	56	-
	447	**334**
Fees payable to the Company's auditor and its associates for other services:		
Audit related assurance services	15	14
Taxation compliance services	35	32
Taxation advisory services	170	89
Total non-audit services	**220**	**135**

9. EMPLOYEES

	2021 €m	2020 €m
Salaries	44.0	40.6
Social security costs	4.9	4.4
Pension costs		
- defined contribution plans	2.9	2.7
- defined benefit plans	0.5	0.8
	52.3	**48.5**
Less salaries capitalised in property, plant and equipment and intangible assets	(5.8)	(4.7)
Charged to the income statement	**46.5**	**43.8**

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9. EMPLOYEES (CONTD.)

	Actual headcount at 31 March		Average during the year	
	Number 2021	Number 2020	**Number 2021**	Number 2020
Renewables	58	39	48	39
Flexible Generation	71	62	66	61
Customer Solutions	787	747	766	725
	916	**848**	**880**	**825**

Director's emoluments

No amounts were paid to the Director in respect of qualifying services or long-term investment plans during the year (2020 - €nil).

Included in salary costs above is an amount of €0.1m (2020 - €0.1m) in relation to the Group's Management Investment Plan (see note 32).

10. FINANCE COSTS / INCOME

	2021 €m	2020 €m
Finance costs		
Interest on external bank loans and borrowings	(15.4)	(16.3)
Interest on senior secured notes	(26.0)	(26.3)
Total interest expense	**(41.4)**	**(42.6)**
Amortisation of financing charges	(3.1)	(2.1)
Unwinding of discount on decommissioning provision	(0.1)	(0.4)
Unwinding of discount on contingent consideration	(1.1)	(0.6)
Accretion of lease liability	(1.5)	(1.4)
Other finance charges	**(0.7)**	**(0.3)**
Total other finance charges	(6.5)	(4.8)
Net exchange (loss) / gain on net foreign currency borrowings	(5.3)	4.9
Less interest capitalised in qualifying asset	3.1	2.1
Total finance costs	**(50.1)**	**(40.4)**
Finance income		
Interest income on bank deposits	0.1	0.8
Total finance income	**0.1**	**0.8**

The average capitalisation rate applied in determining the amount of borrowing costs to be capitalised in the period was 5.5% (2020 - 5.1%).

11. INCOME TAX

The major components of the tax charge for the years ended 31 March 2021 and 2020 are as follows:

Current tax:	**Results before exceptional items and certain remeasure-ments 2021 €m**	**Exceptional items and certain remeasure-ments 2021 €m**	**Total 2021 €m**	Results before exceptional items and certain remeasure-ments 2020 €m	Exceptional items and certain remeasure-ments 2020 €m	Total 2020 €m
Current tax charge	(7.9)	(0.8)	(8.7)	(0.7)	(0.7)	(1.4)
Adjustments in respect of prior years	0.8	-	0.8	(0.1)	-	(0.1)
Total current tax charge	**(7.1)**	**(0.8)**	**(7.9)**	**(0.8)**	**(0.7)**	**(1.5)**
Deferred tax:						
Origination and reversal of temporary differences	(7.0)	-	(7.0)	(5.7)	-	(5.7)
Adjustments in respect of prior years	(3.4)	-	(3.4)	(0.6)	-	(0.6)
Effect of increased rate on opening liability	-	-	-	0.6	-	0.6
Total deferred tax	**(10.4)**	**-**	**(10.4)**	**(5.7)**	**-**	**(5.7)**
Total taxation charge	**(17.5)**	**(0.8)**	**(18.3)**	**(6.5)**	**(0.7)**	**(7.2)**

Consolidated Statement of Other Comprehensive Income

	2021 €m	2020 €m
Deferred tax related to items recognised in Other Comprehensive Income during the year:		
Net (gain) / loss on revaluation of cash flow hedges	(14.4)	6.1
Net loss on remeasurement of defined benefit scheme	0.3	0.5
Taxation (debited) / credited to Other Comprehensive Income	**(14.1)**	**6.6**

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The tax charge for the year can be reconciled to the profit per the Income Statement as follows:

	2021 €m	2020 €m
Accounting profit before income tax	136.0	68.0
At the statutory income tax rate of 19% (2020 - 19%)	(25.8)	(12.9)
Non-taxable foreign exchange on debt	(1.0)	0.9
Utilisation of tax losses on which no deferred tax asset was recognised	2.3	1.1
Other	3.0	1.3
Effect of lower tax rates on overseas earnings	5.8	2.5
Impact of rate change on deferred tax	-	0.6
Adjustments in respect of previous years	(2.6)	(0.7)
Tax charge	**(18.3)**	**(7.2)**

The deferred tax included in the balance sheet at 31 March 2021 and 2020 is as follows:

	Accelerated capital allowances €m	Losses available for offset against future taxable income €m	Loan interest €m	Pension obligation €m	Revaluation on cash flow hedges €m	Other €m	Total €m
As At 1 April 2019	**(8.4)**	**13.6**	**13.4**	**-**	**2.6**	**(3.4)**	**17.8**
Effect of new accounting standard	-	(0.1)	-	-	-	0.7	0.6
(Charge) / credit to income statement	(5.5)	1.5	(3.5)	(0.4)	-	2.2	(5.7)
Credit to equity	-	-	-	0.5	6.1	-	6.6
Foreign exchange	0.1	(0.2)	0.1	(0.1)	(0.1)	-	(0.2)
Other	-	-	-	-	-	(0.3)	(0.3)
As at 31 March 2020	**(13.8)**	**14.8**	**10.0**	**-**	**8.6**	**(0.8)**	**18.8**
(Charge) / credit to income statement	(4.6)	(0.4)	(7.2)	(0.3)	-	2.1	(10.4)
Credit / (charge) to equity	-	-	-	0.3	(14.4)	-	(14.1)
Foreign exchange	(0.3)	0.4	-	-	0.3	0.1	0.5
As at 31 March 2021	**(18.7)**	**14.8**	**2.8**	**-**	**(5.5)**	**1.4**	**(5.2)**

Certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2021 €m	2020 €m
Deferred tax assets	27.4	33.4
Deferred tax liabilities	(32.6)	(14.6)
Net deferred tax (liabilities) / assets	**(5.2)**	**18.8**

Current and deferred tax have been calculated using standard rates of corporation tax in the UK being the prevalent rates of corporation tax of the Group. A reduction in the UK corporation tax rate from 19% to 17% (effective from April 2020) was substantively enacted on 6 September 2016 however a further change to the main UK corporation tax rate was announced in the 11 March 2020 Budget. As a result of this change the main UK corporation tax rate remained at 19% from 1 April 2020. The UK deferred tax has been calculated at 19% as at 31 March 2021 reflecting HMRC enactment, on 17 March 2020, of this non change in the UK corporation tax rate. RoI deferred tax has been calculated at 12.5% as at 31 March 2021.

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 net balance sheet impact of applying the 25% rate to the closing deferred tax balances would be €0.2m (being a €6.3m increase in the deferred tax asset offset by a €6.1m increase the deferred tax liability).

A deferred tax asset of €23.6m (2020 - €28.5m) has not been recognised in relation to €123.5m (2020 - €127.3m) of tax losses carried forward, €nil (2020 - €20.7m) of interest on which no tax relief has yet been claimed and €3.7m (2020 - €7.8m) on other, due to uncertainty regarding the quantum of future taxable profits in the companies concerned.

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12. PROPERTY, PLANT AND EQUIPMENT

	Thermal generation assets €m	Renewable generation assets €m	Freehold operational land €m	Fixtures and equipment €m	Total €m
Cost or valuation:					
At 1 April 2019	**473.5**	**486.3**	**19.0**	**15.7**	**994.5**
Exchange adjustment	-	(7.7)	-	(0.4)	(8.1)
Additions	13.0	26.4	-	6.3	45.7
Increase in decommissioning provision	2.9	2.0	-	-	4.9
Disposals	(10.9)	-	-	-	(10.9)
Reclassification	-	-	(1.6)	1.6	-
Acquisition of subsidiaries	-	50.1	-	-	50.1
At 31 March 2020	**478.5**	**557.1**	**17.4**	**23.2**	**1,076.2**
Exchange adjustment	-	11.6	-	0.6	12.2
Additions	6.7	20.2	-	1.3	28.2
Increase in decommissioning provision	4.6	5.8	-	-	10.4
Disposals	(5.9)	(0.1)	-	-	(6.0)
Reclassification	3.2	-	-	(3.2)	-
Acquisition of subsidiaries	-	1.2	-	-	1.2
At 31 March 2021	**487.1**	**595.8**	**17.4**	**21.9**	**1,122.2**
Depreciation and impairment: **At 1 April 2019**	**424.8**	**44.7**	**-**	**11.1**	**480.6**
Exchange adjustment	-	(1.2)	-	(0.3)	(1.5)
Disposals	(10.9)	-	-	-	(10.9)
Depreciation charge for the year	15.3	22.2	-	2.0	39.5
At 31 March 2020	**429.2**	**65.7**	**-**	**12.8**	**507.7**
Exchange adjustment	-	2.1	-	0.5	2.6
Disposals	(5.9)	-	-	-	(5.9)
Reclassification	(0.5)	-	-	0.5	-
Depreciation charge for the year	8.5	24.6	-	2.2	35.3
At 31 March 2021	**431.3**	**92.4**	**-**	**16.0**	**539.7**
Net book value:					
At 1 April 2019	48.7	441.6	19.0	4.6	513.9
At 31 March 2020	49.3	491.4	17.4	10.4	568.5
At 31 March 2021	**54.6**	**503.4**	**17.4**	**5.9**	**582.5**

(i) Included in renewable generation assets are amounts in respect of assets under construction amounting to €61.3m (2020 - €105.7m) and capitalised interest during the year of €3.1m (2020 - €2.1m). Included in thermal generation assets are amounts in respect of assets under construction amounting to €3.3m (2020 - €nil).

(ii) The renewable generation assets of the specific project finance companies are given as security against the project finance facilities.

13. INTANGIBLE ASSETS

	Software costs €m	Customer acquisition costs €m	Renewable development assets €m	Emission Allowances, Energy Efficiency Credits & ROCs €m	Goodwill €m	Total €m
Cost: **At 1 April 2019**	**67.1**	**12.6**	**47.3**	**76.8**	**538.6**	**742.4**
Exchange adjustment	(2.0)	-	(0.8)	(3.9)	(14.0)	(20.7)
Additions	15.8	2.2	-	165.1	-	183.1
Disposals/surrenders in settlement of obligations	-	-	-	(170.0)	-	(170.0)
Acquisition of subsidiaries	-	-	23.7	-	-	23.7
At 31 March 2020	**80.9**	**14.8**	**70.2**	**68.0**	**524.6**	**758.5**
Exchange adjustment	2.5	-	1.7	3.5	20.5	28.2
Additions	11.7	2.3	-	180.7	-	194.7
Disposals/surrenders in settlement of obligations	-	-	-	(167.3)	-	(167.3)
Acquisition of subsidiaries	-	-	0.5	-	-	0.5
At 31 March 2021	**95.1**	**17.1**	**72.4**	**84.9**	**545.1**	**814.6**
Amortisation: **At 1 April 2019**	**36.5**	**7.7**	**2.4**	**-**	**1.6**	**48.2**
Exchange adjustment	(1.1)	-	0.3	-	-	(0.8)
Amortisation	7.6	3.3	2.1	-	-	13.0
At 31 March 2020	**43.0**	**11.0**	**4.8**	**-**	**1.6**	**60.4**
Exchange adjustment	1.7	-	0.3	-	-	2.0
Amortisation	7.6	2.7	2.3	-	-	12.6
At 31 March 2021	**52.3**	**13.7**	**7.4**	**-**	**1.6**	**75.0**
Net book value:						
At 1 April 2019	30.6	4.9	44.9	76.8	537.0	694.2
At 31 March 2020	37.9	3.8	65.4	68.0	523.0	698.1
At 31 March 2021	**42.8**	**3.4**	**65.0**	**84.9**	**543.5**	**739.6**

(i) Included in Emission Allowances, Energy Efficiency Credits and ROCs at 31 March 2021 is an amount of €9.7m (2020 - €9.4m) relating to self-generating ROCs which were initially recognised at fair value of €9.7m (2020 - €9.4m).

Intangible assets have been analysed as current and non-current as follows:

	2021 €m	2020 €m
Current	84.9	68.0
Non-current	654.7	630.1
	739.6	**698.1**

14. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIVES

The carrying amount of the Group's goodwill has been allocated to the following CGUs:

CGU	2021 €m	2020 €m
Customer Solutions - Energia	395.4	380.6
Customer Solutions - Power NI	148.1	142.4
Total goodwill	**543.5**	**523.0**

The recoverable amount of the Energia and Power NI Customer Solutions CGUs has been determined based on a value-in-use calculation using five year cash flow projections together with a long-term growth rate of 2% applied thereafter. The Group's projections are based on past experience and reflect the Group's forward view of market prices, risks and its strategic objectives. The recoverable amount is compared to the carrying amount of the CGU to determine whether the CGU is impaired.

Key assumptions used in value-in-use calculations

Discount rates

The pre-tax discount rate used in the calculation of the value-in-use for the CGUs was between 7.8% and 8.3% (2020 - 7.6% and 8.0%) reflecting management's estimate of the Weighted Average Cost of Capital (WACC) post-tax rate required to assess operating performance and to evaluate future capital investment proposals.

These rates reflect market projections of the risk-free rate in the jurisdictions in which the Group operates, equity risk premiums and the cost of debt appropriate to the industry.

Energia Customer Solutions CGU

The key assumptions on which the cash flow projections of this CGU are based are as follows:

(i) Retail supply revenues for electricity and gas are based on the expected market share derived from the market share at the time of the approval of the business model adjusted for forecasted growth. Growth in business customer numbers is modest and growth in respect of residential supply is moderate with cash flows associated with increased customer service and customer acquisition incorporated accordingly; and

(ii) Retail supply margins are based on historic and projected gross margin percentages.

Power NI Customer Solutions CGU

The key assumptions on which the cash flow projections of this CGU are based are as follows:

(i) Regulated revenues and margins are underpinned by the regulatory price control in place to 31 March 2023;

(ii) Customer attrition is assumed, however the nature of the price control with regulated entitlement 70% fixed and 30% variable reduces the impact of customer losses; and

(iii) Unregulated retail supply margins for business customers are based on historic and projected gross margin percentages.

Outcome of Tests

The recoverable amount of both the Energia and Power NI Customer Solutions CGUs exceeded the respective carrying values at the time of the impairment test. While cash flows are subject to inherent uncertainty, reasonably possible changes in the key assumptions applied in assessing the value-in-use would not cause a change to the conclusion reached.

15. BUSINESS COMBINATIONS AND DISPOSALS

Acquisitions in 2021

On 16 April 2020 the Group completed the acquisition of the entire issued ordinary share capital of XMR Energy Limited (Crossmore), a 15MW windfarm development project in County Clare, RoI.

Acquisitions after the balance sheet date

On 27 May 2021, the Group completed the acquisition of the entire issued share capital of Drumlins Park Limited (Drumlin), a 49MW wind farm development project in County Monaghan.

At the date the Group financial statements were signed the accounting for the acquisition was complete except for the valuation of associated lease agreements, and therefore the amounts disclosed in respect of the fair value of the assets and liabilities acquired together with the intangible asset arising on acquisition are provisional.

The acquisitions contribute towards the Group's aim of growing its renewable generation business in Ireland.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of the wind farm acquired was:

	Fair value recognised on acquisitions in the year ended 31 March 2021 €m	Fair value recognised on acquisitions post balance sheet €m
Assets		
Fixed assets - development costs	1.2	0.3
Right-of-use asset	2.7	-
	3.9	**0.3**
Liabilities		
Other payables	(1.3)	(0.3)
Lease liability	(2.7)	-
Shareholder loan	-	(1.7)
Total identifiable net liabilities at fair value	(0.1)	(1.7)
Intangible assets (development assets) arising on acquisition	0.5	26.9
Purchase consideration transferred	**0.4**	**25.2**
Purchase consideration made up of:		
Cash	0.2	25.2
Contingent consideration	0.2	-
	0.4	**25.2**
Analysis of cash flows on acquisition:		
Cash	0.2	25.2
Discharge of liabilities	-	2.0
Net cash flows on acquisition	**0.2**	**27.2**

No transaction costs were incurred in the year ended 31 March 2021. Crossmore is not operational and is currently under development.

Contingent consideration

On acquisition of Crossmore, contingent consideration of €0.2m was recognised and reflects the fair value of the maximum amount payable, with the minimum payable being €nil. Payment is contingent on grid route planning permission and is anticipated to be paid in 2021/22.

16. GROUP INFORMATION

Principal investments in which the Group held 100% of ordinary shares at 31 March 2021 are listed below:

Name	Principal Activities	Country of incorporation
Regulated businesses		
Power NI Energy Limited [*1]	Power procurement and supply of electricity	NI
Renewables		
Energia Renewables Company 1 Limited [*]	Holding company	NI
Energia Renewables Company 2 Limited [*]	Holding company	NI
Energia Renewables Company 3 Limited [*]	Holding company	NI
Energia Renewables Company 4 Limited [*]	Holding company	NI
Altamuskin Windfarm Limited [*2]	Renewable generation	NI
Clondermot Wind Limited [*2]	Renewable generation	NI
Eshmore Ltd [*2]	Renewable generation	NI
Gortfinbar Windfarm Limited [*2]	Renewable generation	NI
Long Mountain Wind Farm Limited [*2]	Renewable generation	NI
Mosslee Limited [*2]	Renewable generation	NI
Thornog Windfarm Ltd [*2]	Renewable generation	NI
Wheelhouse Energy (NI) Limited [*2]	Renewable generation	NI
Cornavarrow Windfarm Limited [*2]	Renewable generation	NI
Slieveglass Wind Farm Limited [*]	Renewable generation	NI
Teiges Mountain Wind Farm Limited [*2]	Renewable generation	NI
Lisglass Wind Ltd [*]	Renewable development	NI
Dargan Road Biogas Limited [*]	Renewable development	NI
Pigeon Top Wind Farm Limited [*]	Renewable development	NI
Energia Hydrogen Limited [*]	Renewable development	NI
Energia Renewables Development Limited [*]	Holding company	Republic of Ireland
Energia Renewables RoI Limited [*]	Holding company	Republic of Ireland
Energia Bioenergy Limited [*]	Holding company	Republic of Ireland
Holyford Windfarm Limited [*2]	Renewable generation	Republic of Ireland
Windgeneration Ireland Limited [*2]	Renewable generation	Republic of Ireland
Derrysallagh Wind Farm Limited [*2]	Renewable generation	Republic of Ireland
Whaplode Limited [*]	Renewable development	Republic of Ireland
Huntstown Bioenergy Limited [*2]	Renewable development	Republic of Ireland
Coolberrin Wind Limited [*]	Renewable development	Republic of Ireland

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Name	Principal Activities	Country of incorporation
Renewables (contd.)		
Derrysallagh Supply Limited*	Renewable supply	Republic of Ireland
XMR Energy Limited *	Renewable development	Republic of Ireland
Seven Hills Wind Limited *	Renewable development	Republic of Ireland
Energia Solar Holdings Limited *	Holding Company	Republic of Ireland
Solar Farmers Limited *	Renewable development	Republic of Ireland
Energia Offshore Wind Limited *	Renewable development	Republic of Ireland
Flexible Generation		
Power and Energy Holdings (RoI) Limited *	Holding company	Republic of Ireland
Huntstown Power Company Limited *	Electricity generation	Republic of Ireland
Energia Power Generation Limited *	Electricity generation	Republic of Ireland
GenSys Power Limited (trading as GenSys) *	Operating and maintenance services	Republic of Ireland
Energia Data Centre Limited *	Data centre development	Republic of Ireland
Energia NI Storage Limited *	Holding company	NI
Belfast Energy Storage Company Limited *	Battery storage development	NI
Customer Solutions		
Energia Customer Solutions NI Limited *	Service Company	NI
Energia Customer Solutions Limited *	Energy supply	Republic of Ireland
Other		
Energia Group RoI Holdings DAC *	Holding company	Republic of Ireland
Energia Group NI Holdings Limited *	Holding company	NI
Energia NI Holdco Limited *	Holding company	NI
Energia Group NI FinanceCo plc *	Financing company	NI
Energia Group Fundco I Limited	Holding company	Cayman Islands
Energia Group Fundco II Limited *	Holding company	Cayman Islands
Energia Group Fundco III Limited *	Holding company	Cayman Islands
EI Ventures Limited *	Holding company	Great Britain
ElectricInvest Acquisitions Limited *	Holding company	Great Britain
ElectricInvest Holding Company Limited *	Holding company	Great Britain
ElectricInvest (Lux) RoI S.à.r.l. *	Holding company	Grand Duchy of Luxembourg
Energia Capital Limited *	Holding company	NI
Viridian Enterprises Limited *	Holding company	NI
Energia Properties Limited *	Property	NI
Energia Group Insurance Limited *	Insurance	Isle of Man
Choices Pensions Scheme *	Dormant company	Republic of Ireland
Energia Power Resources Limited *	Dormant company	Great Britain

* held by a subsidiary undertaking.

[1] consists of the operating businesses of Power NI and PPB.

[2] entities with project finance facilities with restricted cash which are subject to bi-annual distribution debt service requirements

The parent undertaking of the Company is Energia Group TopCo Limited, a company incorporated in the Cayman Islands. Energia Group TopCo Limited is majority owned by ISQ Viridian Holdings L.P., a limited partnership incorporated in the Cayman Islands. ISQ Viridian Holdings L.P. is owned by the ISQ Global Infrastructure Fund (the Fund) and ISQ Viridian Co-Invest L.P., a co-investment vehicle for the Fund. The Fund is managed by I Squared Capital.

17. OTHER FINANCIAL ASSETS

	2021 €m	2020 €m
Other financial assets		
Financial assets at amortised cost:		
Security deposits	11.3	11.1
Short-term managed funds	1.4	1.4
Total other financial assets	**12.7**	**12.5**
Total non-current	**-**	**-**
Total current	**12.7**	**12.5**

Financial assets held at amortised costs are held to maturity and generate a fixed or variable interest income for the Group.

The carrying value may be affected by changes in the credit risk of the counterparties.

18. TRADE AND OTHER RECEIVABLES

	2021 €m	2020 €m
Trade receivables (including unbilled consumption)	209.6	197.9
Contract assets (accrued income)	60.2	30.2
Prepayments	4.5	3.9
Other receivables	14.5	11.3
	288.8	**243.3**
Allowance for expected credit losses	(24.0)	(23.9)
	264.8	**219.4**

Trade receivables are non-interest bearing and are generally on terms of 14 to 90 days.

As at 31 March 2021, the Group has contract assets (accrued income) of €60.2m (2020 - €30.2m) which are expected to be settled in the next financial year. Contract assets (accrued income) settled in the current year amounted to €30.2m (2020 - €20.4m).

Contract assets primarily relate to the REFIT support scheme and I-SEM market revenues which are settled in accordance with market timelines and therefore the allowance for expected credit losses on these are €nil (2020 - €nil).

See below for the movements in the provision for impairment of receivables.

	€m
At 1 April 2019	**12.6**
Foreign exchange adjustment	(0.2)
Provision for expected credit losses	13.9
Write off	(2.4)
At 31 March 2020	**23.9**
Foreign exchange adjustment	0.5
Provision for expected credit losses	2.1
Write off	(2.5)
At 31 March 2021	**24.0**

As at 31 March, the ageing analysis of trade receivables is as follows:

	2021				2020			
	Gross amount receivable €m	Allowance for expected credit losses €m	Net amount receivable €m	ECL %	Gross amount receivable €m	Allowance for expected credit losses €m	Net amount receivable €m	ECL %
Current	121.6	(4.0)	117.6	3.3	115.9	(3.7)	112.2	3.2
< 30 days	53.2	(7.0)	46.2	13.1	47.2	(7.3)	39.9	15.5
31 - 60 days	13.2	(2.5)	10.7	18.9	12.4	(2.4)	10.0	19.4
61 - 90 days	7.6	(1.9)	5.7	24.6	6.9	(1.6)	5.3	23.2
> 90 days	14.0	(8.6)	5.4	61.9	15.5	(8.9)	6.6	57.4
Total	**209.6**	**(24.0)**	**185.6**	**11.4**	**197.9**	**(23.9)**	**174.0**	**12.1**

The credit quality of trade receivables that are current is assessed by reference to external credit ratings where available otherwise historical information relating to counterparty default rates combined with current knowledge of the counterparty is used.

An incremental allowance for expected credit losses has been applied by the Group reflecting the risk of COVID-19 and a further economic downturn following the expected end of government support schemes in Ireland and NI and the resulting impact that it could have on the Group trade receivables as described below.

Commercial customers

A detailed assessment of the Group's commercial customer base in both jurisdictions of NI and RoI has been carried out. In the first instance those customers with delayed payment terms have been provided for specifically in line with standard practice. Following this initial assessment risk ratings of high, medium and low are assigned to customer balances reflecting their specific sectoral risk.

Sectors which have been considered high risk include, retail - non-essential, hospitality, recreation, leisure and entertainment, with medium risk levels assigned to manufacturing - non-essential, services - non-essential, construction and other non-essential. Low risk sectors include government, pharmaceutical, manufacturing essential, food, drink, agriculture and services - essential. Using this analysis in conjunction with a risk weighting applied to each risk level, incremental provisions of €8.0m have been applied to the commercial receivable amounts.

Residential customers

As with commercial customers in the first instance those customers outside specific payment terms and certain collection characteristics are provided for specifically in line with standard practice. Further to this an analysis of the Group's residential customers receivables has been carried out, with customer insight profiling being used to establish the mix of customer groups that are represented in the Group's portfolio of residential customers.

Using this analysis in conjunction with a risk weighting applied to each risk level high, medium and low reflecting the specific probability of non-payment, incremental provisions of €2.0m have been applied to the residential receivables on both billed and unbilled (consumption for periods up to three months NI which have not yet billed in line with normal billing cycles) receivable amounts.

Adjusting the matrix for the impact of COVID-19 in this way has resulted in an additional ECL of €10.1m. This results in the total ECL at 31 March 2021 of 11.4% of gross receivables or €24.0m (2020 - 12.1%, €23.9m). For commercial customers the incremental ECL provision is 1% - 80% depending on the low / medium / high classification and for residential customers 5% - 20%. A sensitivity analysis in relation to the ECL rate for commercial shows an increase / decrease in the assumed provision by 5% would result in an increase / decrease in the ECL of €2.3m and for residential shows an increase / decrease in the assumed provision by 1% would result in an increase / decrease in the ECL of €0.4m.

19. CASH AND CASH EQUIVALENTS

	2021 €m	2020 €m
Cash at bank and on hand	163.7	144.0
Short-term bank deposits	52.8	76.8
	216.5	**220.8**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

At 31 March 2021, the Group had available €109.2m (2020 - €91.0m) of undrawn committed borrowing facilities relating to the Senior revolving credit facility and no undrawn committed borrowing facilities relating to the project finance facilities (2020 - €3.5m). There were no drawings under the Senior revolving credit facility at 31 March 2021 (2020 - €nil). €37.9m (2020 - €30.0m) of cash was restricted in the project financed wind farms and is subject to bi-annual distribution debt service requirements.

20. TRADE AND OTHER PAYABLES

	2021 €m	2020 €m
Trade creditors	84.9	119.6
Other creditors	53.6	58.6
Contract liabilities (payments on account)	36.1	33.2
Tax and social security	10.0	10.9
Accruals	207.8	217.4
	392.4	**439.7**

Trade creditors are non-interest bearing and are normally settled within 45 day terms.

Contract liabilities relate to payments on account from customers for the supply of electricity.

The amounts included in contract liabilities are current in nature and are recognised in revenue within 12 months.

21. FINANCIAL LIABILITIES

	2021 €m	2020 €m
Current financial liabilities:		
Project financed bank facilities (NI)	11.0	10.0
Project financed bank facilities (RoI)	12.4	13.7
Project finance interest accruals	0.1	0.2
Senior secured notes interest payable	1.2	1.1
Other interest payable	0.6	0.9
Contingent consideration	0.9	7.7
Lease liability	1.6	2.0
Total current financial liabilities	**27.8**	**35.6**
Non-current financial liabilities:		
Senior secured notes €350m (2025)	346.0	345.3
Senior secured notes £225m (2024)	261.5	251.0
Project financed bank facilities (NI)	188.0	198.0
Project financed bank facilities (RoI)	141.9	116.3
Contingent consideration	15.8	9.0
Lease liability	32.3	30.0
Total non-current financial liabilities	**985.5**	**949.6**
Total current and non-current financial liabilities	**1,013.3**	**985.2**

The carrying value of the Senior secured notes includes unamortised costs of €6.7m (2020 - €7.9m).

The Senior secured notes (2024) are denominated in Sterling £225.0m (Sterling notes) and the Senior secured notes (2025) are denominated in Euro €350.0m (Euro notes). Interest, which is payable semi-annually, is charged at a fixed rate coupon of 4.75% for the Sterling notes and 4.0% for the Euro notes. The Sterling notes are repayable in one instalment on 15 September 2024 and the Euro notes are repayable in one instalment on 15 September 2025. Both Senior secured notes (2024 and 2025) include an option for the period to 15 September 2020 to redeem annually up to 10% of the original principal at a redemption price of 103%.

At 31 March 2021, the Group had letters of credit issued out of the Senior revolving credit facility of €155.0m (31 March 2020 - €163.3m) resulting in undrawn committed facilities of €109.2m (31 March 2020 - €91.0m). There were no cash drawings under the Senior revolving credit facility at 31 March 2021 (31 March 2020 - €nil). Interest is charged under the Senior revolving credit facility at floating interest rates based on Libor and Euribor.

Project financed bank facilities

The project financed bank loan facilities are repayable in semi-annual instalments to 2035 and are secured on a non-recourse basis over the assets and shares of the specific project finance companies. Interest on the project finance bank loan facilities has been predominantly fixed through interest rate swaps resulting in an effective rate of interest of 3.71% (2020 - 3.81%) on project financed bank facilities NI and 3.05% (2020 - 2.67%) on the project financed bank facilities RoI.

Contingent consideration

Contingent consideration of €16.7m (31 March 2020 - €16.7m) relates to the acquisition of various renewable development projects (onshore wind, bioenergy and solar) and represents the present value of the maximum amount payable with the minimum amount payable being €nil. Payment is contingent on various project milestones being met, primarily the construction and commissioning of the plant, with €0.9m expected to be paid in 2021/22 and the remaining €15.8m paid by 2024/25.

22. DEFERRED INCOME

	2021 €m	2020 €m
At 1 April	**0.7**	**-**
Capital grants received	1.5	0.7
At 31 March	**2.2**	**0.7**

The deferred income relates to grants provided by the Office for Low Emission Vehicles (OLEV) and Interreg Europe in respect of certain property, plant and equipment assets.

23. PENSIONS AND OTHER POST- EMPLOYMENT BENEFIT PLANS

	2021 €m	2020 €m
Net employee defined benefit liability (before deferred tax)	**(0.1)**	-

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. There is also a money purchase arrangement for employees in the RoI known as 'Choices'. Most employees of the Group are members of the EGNIPS Options or Choices.

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 Group 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 Group to make further contributions to recover any deficit.

The Trustees regularly review the investment strategy of EGNIPS and the target mix of investments was between 45% on-risk and 55% off-risk at 31 March 2021.

The last actuarial valuation of the 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 €7.0m funding shortfall through annual deficit repair contributions of €1.45m 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 are as follows:

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	2021 €m	2020 €m
Market value of assets at 1 April	**57.3**	**63.7**
Interest income	1.3	1.4
Contributions from employer	2.1	2.2
Contributions from scheme members	0.1	0.1
Benefits paid	(5.4)	(4.9)
Return / (loss) on plan assets (excluding amounts in the net interest expense)	8.4	(3.7)
Foreign exchange	2.5	(1.5)
Market value of assets at 31 March	**66.3**	**57.3**
Actuarial value of liabilities at 1 April	**57.3**	**63.7**
Interest cost	1.3	1.4
Current service cost	0.5	0.8
Contributions from scheme members	0.1	0.1
Benefits paid	(5.4)	(4.9)
Actuarial loss / (gain) arising from changes in financial assumptions	9.5	(3.5)
Actuarial loss from experience	0.5	1.3
Foreign exchange	2.6	(1.6)
Actuarial value of liabilities at 31 March	**66.4**	**57.3**
Net pension liability	**(0.1)**	**-**
Analysis of amounts recognised in employee costs:		
Current service cost	(0.5)	(0.8)
	(0.5)	**(0.8)**
Analysis of amounts recognised in other comprehensive income:		
Return / (loss) on plan assets (excluding amounts in the net interest expense)	8.4	(3.7)
Actuarial (loss) / gain arising from changes in assumptions	(10.0)	2.2
	(1.6)	**(1.5)**

In accordance with IFRIC 14 - “IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” €nil (2020 - €nil) has been recognised in 2021.

The actual return in Focus assets for 2021 amounted to €9.7m (2020 - loss of €2.3m).

The major categories of Focus assets of the fair value of the total plan assets are as follows:

	2021 €m	2020 €m
Unquoted investments:		
Equity investments	19.2	15.0
Bonds	33.9	32.1
Other	13.2	10.2
Total assets	**66.3**	**57.3**

The principal 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	3.4% p.a.	2.5% p.a.
Rate of increase in pensions in payment	2.9% p.a.	2.4% p.a.
Discount rate	2.1% p.a.	2.4% p.a.
Inflation assumption (based on CPI)	2.9% p.a.	2.3% p.a.
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

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

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

Assumptions	Sensitivity level	2021 €m	2020 €m
Pensionable salaries	1% increase	0.7	0.7
	1% decrease	(0.6)	(0.6)
Pension payments	0.5% increase	5.8	4.8
	0.5% decrease	(5.2)	(4.3)
Discount rate	0.5% increase	(5.4)	(4.5)
	0.5% decrease	6.1	5.1
Inflation	1% increase	12.9	10.2
	1% decrease	(9.4)	(7.9)
Life expectancy of male pensioners	Increase by 1 year	1.4	1.0
	Decrease by 1 year	(0.8)	(1.0)
Life expectancy of female pensioners	Increase by 1 year	0.8	0.6
	Decrease by 1 year	(0.8)	(0.6)

The sensitivity analysis above has 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 period.

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

	2021 €m	2020 €m
Within the next 12 months (next annual reporting period)	1.9	2.1
Between two and five years	3.9	6.6
Between five and ten years	0.5	1.4
Beyond ten years	0.1	-
Total expected payments	**6.4**	**10.1**

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

24. PROVISIONS

	Decommissioning Total €m
At 1 April 2019	**16.3**
Exchange adjustment	(0.1)
Unwinding of discount	0.4
Changes in the discount rate	4.9
At 31 March 2020	**21.5**
Exchange adjustment	0.2
New plant commissioned	0.7
Increase in provision	5.6
Unwinding of discount	0.1
Changes in discount rate	4.1
At 31 March 2021	**32.2**
Non-current	**32.2**

Decommissioning

Provision has been made for decommissioning generation assets. The provision represents the present value of the current estimated costs of closure of the plants at the end of their useful economic lives.

The provisions have been discounted using a weighted average rate of 0.541% (2020 - 0.631%) and are expected to be utilised within a period of eleven to sixteen years.

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derivative financial instruments

Derivative financial assets

	2021 €m	2020 €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	7.8	3.4
Commodity swap contracts	58.9	18.3
Interest rate swap contracts	0.5	-
Total derivatives at fair value through other comprehensive income	**67.2**	**21.7**
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	0.5	0.6
Commodity swap contracts	4.0	3.6
Total derivatives at fair value through profit and loss	**4.5**	**4.2**
Total derivative financial assets	**71.7**	**25.9**
Total non-current	**8.0**	**2.5**
Total current	**63.7**	**23.4**

Derivative financial liabilities

	2021 €m	2020 €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	(1.4)	(1.6)
Commodity swap contracts	(10.3)	(66.8)
Interest rate swap contracts	(19.6)	(27.7)
Total derivatives at fair value through other comprehensive income	**(31.3)**	**(96.1)**
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	(0.7)	(0.4)
Commodity swap contracts	(1.4)	(8.0)
Total derivatives at fair value through profit and loss	**(2.1)**	**(8.4)**
Total derivative financial liability	**(33.4)**	**(104.5)**
Total current	**(18.0)**	**(67.0)**
Total non-current	**(15.4)**	**(37.5)**

Hedging activities and derivatives

Cash flow hedges

Cash flow hedges are derivative contracts entered into to hedge a forecast transaction or cash flow risk generally arising from a change in interest rates, commodity prices or foreign currency exchange rates and which meets the effectiveness criteria prescribed by IFRS 9 Financial Instruments. The Group's accounting policy for cash flow hedges is set out in note 3.

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Net derivative financial liabilities

	2021 €m	2020 €m
Accumulated gain / (loss) included in equity (excluding associates)	**35.9**	**(74.4)**

The table below summarises the maturity of cash flow hedges:

	2021 €m	2020 €m
Derivative financial assets		
In one year or less	60.2	19.7
In more than one year but less than five years	6.5	2.0
In more than five years	0.5	-
Gains through other comprehensive income	**67.2**	**21.7**
Derivative financial liabilities		
In one year or less	(16.3)	(58.9)
In more than one year but less than five years	(11.8)	(27.5)
In more than five years	(3.2)	(9.7)
Losses through other comprehensive income	**(31.3)**	**(96.1)**
	35.9	**(74.4)**

The table below summarises the gains and losses recognised during the year:

	2021 €m	2020 €m
Net gain / (loss) due to remeasurements	**97.3**	(93.9)
Loss transferred from equity to the income statement in respect of:		
Completed hedges	**(13.0)**	(35.9)
Recognised within:		
Operating costs	(5.2)	(32.4)
Finance costs	(7.8)	(3.5)
	(13.0)	**(35.9)**

Fair value through profit and loss

The Group has derivative contracts that are not accounted for as hedges under IFRS 9. The table below summarises the gains and losses recognised on these contracts in the income statement during the year.

	2021 €m	2020 €m
Net gain due to remeasurements	**6.1**	**1.7**

Hedge of net investment in foreign operations

Included in financial liabilities, loans and borrowings at 31 March 2021 was £225.0m (2020 - £225.0m) Sterling denominated Senior secured notes.

The Group has not designated a hedging relationship between the Sterling denominated assets on the Group's balance sheet and the Group's Sterling borrowings in the current year or prior year.

Fair Values

As indicated in note 3(d) the Group uses the hierarchy as set out in IFRS 7 Financial Instruments: Disclosures for categorising financial instruments.

A summary of the fair values of the financial assets and liabilities of the Group together with their carrying values shown in the balance sheet and their fair value hierarchy is as follows:

	2021 Carrying value €m	**2021 Fair value €m**	2020 Carrying value €m	2020 Fair value €m
Level 1				
Non-current liabilities				
Senior secured notes (2024 and 2025)	(607.5)	(622.7)	(596.3)	(558.5)
Level 2				
Non-current liabilities				
Project financed bank facilities (NI)	(188.0)	(188.0)	(198.0)	(198.0)
Project financed bank facilities (RoI)	(141.9)	(141.9)	(116.3)	(116.3)
Level 3				
Non-current liabilities				
Financial liabilities (contingent consideration)	(15.8)	(15.8)	(9.0)	(9.0)
Financial liabilities (lease liability)	(32.3)	(32.3)	(30.0)	(30.0)
Current liabilities				
Financial liabilities (contingent consideration)	(0.9)	(0.9)	(7.7)	(7.7)
Financial liabilities (lease liability)	(1.6)	(1.6)	(2.0)	(2.0)

The carrying value of cash, trade receivables, trade payables and other current assets and liabilities is equivalent to fair value due to the short-term maturities of these items. Contingent consideration is estimated as the present value of future cash flows disclosed at the market rate of interest at the reporting date. Derivatives are measured at fair value and are considered to fall within the level 1 fair value hierarchy. There have been no transfers between the levels within the fair value hierarchy.

The fair value of the Group's project financed bank facilities (RoI), project financed bank facilities (NI) and Senior revolving credit facility are determined by using discounted cash flows based on the Group's borrowing rate. The fair value of the Group's Senior secured notes are based on the quoted market price. The fair value of interest rate swaps, foreign exchange forward contracts, foreign exchange cross currency swaps and commodity contracts has been valued by calculating the present value of future cash flows, estimated using forward rates from third party market price quotations.

The fair value of the Group's project financed bank facilities (RoI) and project financed bank facilities (NI) are a close approximation to their carrying value given that they bear interest at floating rates based on Libor/Euribor.

The fair value of contingent consideration is considered to fall within the level 3 fair value hierarchy and is measured using the present value of the maximum amount payable with the minimum amount payable being €nil. Payment is contingent on various project milestones being met, primarily the construction and commissioning of the plant. The carrying value of €16.7m is estimated to approximate to its fair value determined by using discounted cash flows based on the Company's borrowing rate. Reasonably possible changes in assumptions would not result in a material change to the value.

Financial risk management objectives and policies

A summary of the Group's financial management objectives and policies is set out in the financial control section of the Risk Management and Principal Risks and Uncertainties report.

The following table summarises the maturity profile of the Group's trade and other payables, financial liabilities and derivatives based on contractual undiscounted payments:

	Within one year €m	1 to 5 years €m	>5 years €m	Total €m	Carrying Value Total €m
Year ended 31 March 2021					
Trade and other payables (excluding tax and social security)	(382.4)	-	-	(382.4)	(382.4)
Financial liabilities (excluding leases)	(59.3)	(846.6)	(269.3)	(1,175.2)	(979.4)
Financial liabilities - leases	(3.1)	(11.4)	(36.6)	(51.1)	(33.9)
Derivatives at fair value through other comprehensive income	(16.3)	(11.9)	(3.3)	(31.5)	(31.3)
Derivative at fair value through profit and loss	(1.7)	(0.4)	-	(2.1)	(2.1)
	(462.8)	**(870.3)**	**(309.2)**	**(1,642.3)**	**(1,429.1)**
Year ended 31 March 2020					
Trade and other payables (excluding tax and social security)	(428.8)	-	-	(428.8)	(428.8)
Financial liabilities (excluding leases)	(66.9)	(481.4)	(617.6)	(1,165.9)	(953.2)
Financial liabilities - leases	(3.4)	(10.5)	(34.1)	(48.0)	(32.0)
Derivatives at fair value through other comprehensive income	(59.0)	(27.5)	(9.9)	(96.4)	(96.1)
Derivative at fair value through profit and loss	(8.1)	(0.3)	-	(8.4)	(8.4)
	(566.2)	**(519.7)**	**(661.6)**	**(1,747.5)**	**(1,518.5)**

The disclosed financial derivative instruments in the above table are the gross undiscounted cash flows. However, those amounts may be settled gross or net.

At 31 March 2021, the Group is exposed to future changes in the fair value of unsettled derivative financial instruments and certain other financial liabilities. The sensitivity analysis for the market risks showing the impact on profit before tax and equity is set out below.

These sensitivities are based on an assessment of market rate movements during the year and each is considered to be a reasonably possible range.

			Impact on profit		Impact on equity	
	Sensitivity	Change	Increase €m	Decrease €m	Increase €m	Decrease €m
At 31 March 2021						
Foreign exchange forward contracts	Euro exchange rate	+/-10%	-	-	14.0	(13.4)
Gas swaps	Price per therm	+/-10p	35.2	(35.2)	35.2	(35.2)
GB power swaps	Price per MWh	+/- £10	20.1	(20.1)	20.1	(20.1)
Interest rate swaps	Libor/ Euribor	+/- 0.25%	-	-	5.8	(6.0)
Project financed bank facilities (interest)	Libor/ Euribor	+/- 0.25%	(0.9)	0.9	(0.9)	0.9
Project financed bank facilities denominated in sterling	Euro exchange rate	+/-10%	(20.7)	20.7	(20.7)	20.7
Senior secured notes denominated in Sterling	Euro exchange rate	+/-10%	(26.4)	26.4	(26.4)	26.4
At 31 March 2020						
Foreign exchange forward contracts	Euro exchange rate	+/-10%	-	-	10.2	(9.3)
Gas swaps	Price per therm	+/-10p	32.0	(32.0)	32.0	(32.0)
GB power swaps	Price per MWh	+/- £10	9.1	(9.1)	9.1	(9.1)
Interest rate swaps	Libor/ Euribor	+/- 0.25%	-	-	5.7	(5.6)
Project financed bank facilities (interest)	Libor/ Euribor	+/- 0.25%	(0.9)	0.9	(0.9)	0.9
Project financed bank facilities denominated in sterling	Euro exchange rate	+/-10%	(21.6)	21.6	(21.6)	21.6
Senior secured notes denominated in Sterling	Euro exchange rate	+/-10%	(25.4)	25.4	(25.4)	25.4

26. SHARE CAPITAL AND RESERVES

Authorised shares

	Number	£
A Ordinary shares of £1 each	46,678	46,678
B Ordinary shares of £2 each	905	1,810
C Ordinary shares of £1 each	1,512	1,512
At 31 March 2020 and 2021	**49,095**	**50,000**

Ordinary shares issued and fully paid

	Number	£
A Ordinary shares of £1 each	4,020	4,020
B Ordinary shares of £2 each	905	1,810
C Ordinary shares of £1 each	1,088	1,088
At 31 March 2020 and 2021	**6,013**	**6,918**

Nature and purpose of reserves

Share capital and share premium

The balances classified as share capital and share premium represents the proceeds (both nominal value and share premium) on issue of the Company's equity share capital, comprising £1 A ordinary shares, £2 B ordinary shares and £1 C ordinary shares.

Capital contribution reserve

This balance relates to capital contributed by the Company's parent undertaking other than through the proceeds of the issue of shares.

Hedge reserve

The hedge reserve is used to record the unrealised gains and losses incurred on derivatives designated as cash flow hedges.

Foreign currency reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

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Reserves

Analysis by item recognised in other comprehensive income for each component of equity:

	Foreign currency reserve €m	Cash flow hedge reserve €m	Retained earnings €m	Total Equity €m
2021				
Actuarial loss on defined benefit pension schemes (net of tax)	-	-	(1.3)	**(1.3)**
Exchange gain on translation of foreign operations	25.5	-	-	**25.5**
Net gain on cash flow hedges (net of tax)	-	95.9	-	**95.9**
Other comprehensive income / (expense) for the year	**25.5**	**95.9**	**(1.3)**	**120.1**
2020				
Actuarial loss on defined benefit pension schemes (net of tax)	-	-	(1.0)	**(1.0)**
Exchange loss on translation of foreign operations	(15.1)	-	-	**(15.1)**
Net loss on cash flow hedges (net of tax)	-	(51.8)	-	**(51.8)**
Other comprehensive expense for the year	(15.1)	(51.8)	(1.0)	**(67.9)**

27. NOTES TO GROUP CASH FLOW STATEMENT

	2021 €m	2020 €m
Operating activities		
Profit before tax from continuing operations	136.0	68.0
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	35.3	39.5
Amortisation of intangible assets	12.6	13.0
Amortisation of right-of-use assets	1.9	1.8
Derivatives at fair value through income statement	(6.1)	(1.7)
Net finance costs	50.0	39.6
Defined benefit charge less contributions paid	(1.6)	(1.4)
Share of loss in associates	-	0.2
Profit on disposal of associates	-	(4.1)
Release of contingent consideration	(1.5)	(0.4)
Share-based payment	0.1	0.1
Cash generated from operations before working capital movements	**226.7**	**154.6**

28. ANALYSIS OF NET DEBT

	Cash and cash equivalents €m	Short term managed funds €m	Debt due within one year €m	Debt due after more than one year €m	Total €m
At 1 April 2019	**196.6**	**1.5**	**(25.1)**	**(915.0)**	**(742.0)**
Net increase in cash and cash equivalents	27.9	-	-	-	27.9
Proceeds from issue of borrowings	-	-	-	(27.9)	(27.9)
Repayment of borrowings	-	-	19.8	-	19.8
Issue costs on new long-term loans	-	-	-	1.2	1.2
Increase in interest accruals	-	-	(0.1)	-	(0.1)
Amortisation	-	-	(0.9)	(1.2)	(2.1)
Reclassifications	-	-	(19.7)	19.7	-
Translation difference	(3.7)	(0.1)	0.1	12.6	8.9
At 31 March 2020	**220.8**	**1.4**	**(25.9)**	**(910.6)**	**(714.3)**
Net decrease in cash and cash equivalents	(12.0)	-	-	-	(12.0)
Proceeds from issue of borrowings	-	-	-	(50.2)	(50.2)
Repayment of borrowings	-	-	43.4	-	43.4
Issue costs on new long-term loans	-	-	-	1.4	1.4
Decrease in interest accruals	-	-	0.3	-	0.3
Amortisation	-	-	(1.8)	(1.3)	(3.1)
Reclassifications	-	-	(40.9)	40.9	-
Translation difference	7.7	-	(0.4)	(17.6)	(10.3)
At 31 March 2021	**216.5**	**1..4**	**(25.3)**	**(937.4)**	**(744.8)**

Reconciliation of liabilities arising from financing activities:

	At 1 April 2019 €m	Cash flows €m	Effects of foreign exchange €m	Other €m	At 31 March 2020 €m
Senior secured notes (2024 and 2025)	(602.0)	-	6.9	(1.2)	(596.3)
Project finance facilities	(336.0)	(6.9)	5.8	(0.9)	(338.0)
Interest	(2.1)	-	-	(0.1)	(2.2)
Total	**(940.1)**	**(6.9)**	**12.7**	**(2.2)**	**(936.5)**

	At 1 April 2020 €m	Cash flows €m	Effects of foreign exchange €m	Other €m	At 31 March 2021 €m
Senior secured notes (2024 and 2025)	(596.3)	-	(9.9)	(1.3)	**(607.5)**
Project finance facilities	(338.0)	(5.4)	(8.1)	(1.8)	**(353.3)**
Interest	(2.2)	-	-	0.3	**(1.9)**
Total	**(936.5)**	**(5.4)**	**(18.0)**	**(2.8)**	**(962.7)**

29. LEASES

The Group has lease contracts for various items of land, buildings and motor vehicles used in its operations. Leases of land and buildings generally have lease terms between 5 and 25 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years.

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

	Land and buildings €m	Motor vehicles €m	Total €m
As at 1 April 2019	**20.6**	**-**	**20.6**
Exchange adjustment	(0.4)	-	(0.4)
Acquisition of subsidiary	3.5	-	3.5
Additions	3.2	0.2	3.4
Amortisation	(1.7)	(0.1)	(1.8)
As at 31 March 2020	**25.2**	**0.1**	**25.3**
Exchange adjustment	0.5	-	0.5
Remeasurement of right-of-use assets	(0.2)	-	(0.2)
Acquisition of subsidiary	2.7	-	2.7
Additions	-	0.1	0.1
Amortisation	(1.8)	(0.1)	(1.9)
As at 31 March 2021	**26.4**	**0.1**	**26.5**

Set out below are the carrying amounts of lease liabilities included within financial liabilities (as disclosed in note 25) and the movements during the period:

	2021 €m	2020 €m
As at 1 April	**(32.0)**	(25.4)
Exchange adjustment	(0.7)	0.4
Effect of modification of lease liability	0.2	-
Acquisition of subsidiary	(2.7)	(4.8)
Additions	(0.1)	(3.4)
Accretion of interest	(1.5)	(1.4)
Payments	2.9	2.6
As at 31 March	**(33.9)**	(32.0)
Current	(1.6)	(2.0)
Non-current	(32.3)	(30.0)

The maturity analysis of lease liabilities is disclosed in note 25.

Other amounts recognised in the income statement:

	2021 €m	2020 €m
Expense relating to short term leases	0.1	0.1
Variable lease payments	0.4	0.4
Total	**0.5**	**0.5**

There were no expenses during the year ended 31 March 2021 relating to leases of low-value assets. The Group had total cash outflows for leases of €2.9m for the year ended 31 March 2021 (2020 - €2.6m).

The Group is exposed to future cash outflows that have not been reflected in the measurement of lease liabilities, namely in relation to variable lease payments and extension options.

The Group has several lease contracts that are subject to an annual variable lease charge which is calculated as a percentage of gross revenues.

The charges incurred in relation to variable lease payments for the year ended 31 March 2021 were €0.4m (2020 - €0.4m).

In the event the Group wishes to extend a lease contract beyond the current agreed term, then it shall have the option to extend on terms yet to be negotiated.

The Group shall also have the option to terminate lease contracts upon provision of sufficient notice. Upon the expiration of such notice, the Lease shall cease without penalty.

Availability payments to generators

The Group has also entered into generating contracts with generating companies in NI to make payments for the availability of generating capacity as well as for the purchase of electricity generated. The contracts are with EP Ballylumford Limited.

Estimated availability payments to generators, which are dependent on the availability of the generators and are therefore variable in nature are as follows:

	2021 €m	2020 €m
Within one year	33.1	31.4
After one year but not more than five years	45.2	75.8
	78.3	**107.2**

In September 2016, PPB exercised its option with EP Ballylumford to extend the term of the Generating Unit Agreements covering 600MW of CCGT capacity by five years to September 2023.

30. COMMITMENTS AND CONTINGENT LIABILITIES

(i) Capital commitments

At 31 March 2021 the Group had contracted future capital expenditure in respect of tangible fixed assets of €6.2m (2020 - €12.9m).

(ii) Contingent liabilities

Protected persons

The Group has contingent liabilities in respect of obligations under the Electricity (Protected Persons) Pensions Regulations (NI) 1992 to protect the pension rights in respect of certain of its employees who were employees of Northern Ireland Electricity plc at privatisation. Those Group employees who remain protected by the regulations have their pension rights provided through the Group's occupational pension scheme.

Generating contracts

Under the terms of the PPB generating contracts, where modifications to generating equipment are necessary as a result of a change in law and a generator is unable to procure the necessary financing, PPB must either provide such finance or pay the costs incurred by the generator in carrying out such modifications. The costs incurred by PPB in meeting these obligations are recoverable under the applicable provisions of the Power NI Energy licence, but would require to be financed by PPB until such recovery is achieved. The Group does not anticipate any liability for modifications which require financing and no provision has been made.

Liability and damage claims

In the normal course of business the Group has contingent liabilities arising from claims made by third parties and employees. Provision for a liability is made (as disclosed in note 24) when the Director believes that it is probable that an outflow of funds will be required to settle the obligation where it arises from an event prior to the year end. The Group does not anticipate that any material liabilities will arise other than those recognised in the accounts.

31. DISTRIBUTIONS MADE AND PROPOSED

Dividends of €40.0m, at €9,950.25 per share, were declared during the year ended 31 March 2020 and were paid on 1 October 2020. These were included as a separate line item in the statement of financial position. There were no dividends paid during the year ended 31 March 2020.

Dividends are paid out of profits or from the Company's share premium or capital contribution reserve provided a 'Solvency Test' is passed.

32. SHARE-BASED PAYMENTS

Management Investment Plan (MIP)

Under the MIP, growth shares of the parent are granted to certain senior executives of the Group. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The growth shares vest over time provided the senior executives continue to be employed by the Group at the vesting date.

The fair value of growth shares granted is estimated at the date of grant using a Monte Carlo simulation model, taking into account the terms and conditions on which the share options were granted. It takes into account historical and expected dividends, and the share price volatility of the Group relative to that of comparable companies so as to predict the share performance.

The Group accounts for the Growth shares as an equity-settled plan.

The expense recognised for employee services received during the year is shown as follows:

	2021 €m	2020 €m
Expense arising from equity-settled share-based payment transactions	0.1	0.1
	0.1	**0.1**

Movements during the year		
	B shares	**C Shares**
Outstanding At 1 April 2019	**905**	**1,088**
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 March 2020	**905**	**1,088**
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 March 2021	**905**	**1,088**
Exercisable at 31 March 2021	**-**	**-**

The following table lists the inputs to the model used for the calculation of the fair value of the plan:

Weighted average fair values at the measurement date	£349.76
Dividend yield (%)	7.6
Expected volatility (%)	31.3
Risk-free interest rate (%)	0.87
Expected life of share options (years)	3.79
Model used	Monte Carlo

33. RELATED PARTY TRANSACTIONS

Note 16 above, provides the information about the Group's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Services to related parties €m	Purchase from related parties €m	Amounts owed to related parties €m
Associates:	**2021**	-	-	-
	2020	0.6	(3.0)	-

Transactions with key management personnel

Compensation of key management personnel of the Group are shown as follows:

	2021 €m	2020 €m
Short-term employee benefits	2.7	2.7
Post employment pension and medical benefits	-	0.1
Share-based payments	0.1	0.1
Total compensation to key management personnel	**2.8**	**2.9**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period relating to key management personnel.

APPENDIX (UNAUDITED)

energia group

APPENDIX (UNAUDITED)

The consolidated financial statements comprise the financial performance and position of the Group's Senior Secured Notes Restricted Group and its renewable asset portfolio which are separately project financed. The following tables set out the unaudited reconciliations for pro-forma EBITDA and net debt for the Senior Secured Restricted Group.

Pro-forma EBITDA for the Senior Secured Notes Restricted Group

The following table shows the reconciliation of Pro-forma EBITDA (pre-exceptional items and certain remeasurements) for the Senior Secured Notes Restricted Group:

Year to 31 March	2021 €m	2020 €m
Group pro-forma EBITDA	**194.1**	**164.1**
Less EBITDA from unrestricted investment assets	(43.9)	(41.1)
Pro-forma EBITDA for the Senior Secured Notes Restricted Group	**150.2**	**123.0**

All of the above amounts are pre-exceptional items and certain remeasurements

Pro-forma EBITDA for the Senior Secured Notes Restricted Group (pre-exceptional items and certain remeasurements) increased to €150.2m (2020 - €123.0m) primarily reflecting an increase in EBITDA in the Flexible Generation and Customer Solutions businesses, partly offset by a reduction in Renewables EBITDA due to higher expenditure on development projects.

Pro-forma Net Debt for the Senior Secured Notes Restricted Group

The following table shows the Pro-forma Net Debt for the Senior Secured Notes Restricted Group:

As at 31 March	2021 €m	2020 €m
Investments	1.4	1.4
Cash and cash equivalents	178.6	190.8
Senior secured notes €350m (2025)	(346.0)	(345.3)
Senior secured notes £225m (2024)	(261.5)	(251.0)
Interest accruals - Senior secured notes	(1.2)	(1.1)
Other interest accruals	(0.6)	(0.9)
Pro-forma Net Debt for the Senior Secured Notes Restricted Group	**(429.3)**	**(406.1)**

GLOSSARY OF TERMS

Associate	25% interest in EWP
Capita	Capita Managed IT Solutions Limited
CCGT	Combined-Cycle Gas Turbine
CCNI	Consumer Council for Northern Ireland
CfD	Contract for Differences
CGU	Cash Generating Unit
Choices	Money purchase pension arrangement for employees in the RoI
CO_2	Carbon dioxide
Company	Energia Group Limited (formally known as Viridian Group Investments Limited)
CPI	Consumer Price Index in the RoI
CRM	Capacity Remuneration Mechanism
CRU	Commission for Regulation of Utilities
CSR	Corporate Social Responsibility
CU Greener Homes	Credit Union Greener Homes
DECC	Department of the Environment, Climate and Communications
DfE	Department for the Economy
DHPLG	Department of Housing, Planning and Local Government
EAI	Electricity Association of Ireland
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECL	Expected Credit Loss
EECs	Energy Efficiency Credits
EEOS	Energy Efficiency Obligation Scheme
EGNIPS	Energia Group NI Pension Scheme
EIR	Effective Interest Rate
ESB	Electricity Supply Board
EU	European Union
EU-UK TCA	EU-UK Trade and Cooperation Agreement
EV	Electric Vehicle
Focus	Defined benefit section of EGNIPS
FRC	Financial Reporting Council
GB	Great Britain
Group	Energia Group Limited and its subsidiary undertakings
GWh	GigaWatt Hours
GIY	Grow It Yourself
HEC	Home Energy Check

HMRC	HM Revenue & Customs
IASB	International Accounting Standards Board
IAS	International Accounting Standard
IBEC	Irish Business and Employers' Confederation
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
ICT	Information and Communication Technologies
IoT	Internet of Things
I-SEM	New EU integrated SEM
ISAs (UK)	International Standards in Auditing (UK)
ISO	International Organisation for Standardisation
IWEA	Irish Wind Energy Association
KPI	Key Performance Indicators
LRSA	Local reserve Services Agreement
LTIR	Lost Time Incident Rate
MIP	Management Investment Plan
MW	Megawatt
MWh	megawatt hour
NIEN	Northern Ireland Electricity Networks Limited
NIHE	Northern Ireland Housing Executive
NIRO	Northern Ireland Renewable Obligation
NISEP	Northern Ireland Sustainable Energy Programme
NSAI	National Standards Authority of Ireland
OCI	Other Comprehensive Income
OEM	Original Equipment Manufacturers
OLEV	Office for Low Emission Vehicles
Options	Money purchase section of EGNIPS
p.a.	Per Annum
PEE	Primary Electrical Energy
PPA	Power Purchase Agreement
PPB	Power Procurement Business
PDR	Performance and Development Review
PSO	Public Service Obligation
RA	Regulatory Authority
REFIT	Renewable Energy Feed-In Tariff scheme
RESS	Renewable Electricity Support Scheme
RMC	Risk Management Committee
RO	UK Renewable Obligation

ROC	Renewable Obligation Certificate
RoI	Republic of Ireland
RULET	Rural-Led Energy Transition
SEAI	Sustainable Energy Authority of Ireland
SECR	Streamlined Energy and Carbon Reporting
SEE	Social, Environmental and Ethical
SEMC	SEM Committee
SEM	Single Electricity Market
SEMO	Single Electricity Market Operator
SMP	System Marginal Price
SPPI	Solely Payments of Principal & Interest
TSO	Transmission System Operator
TWh	TeraWatt Hours
UK	United Kingdom
UR	Utility Regulator
WACC	Weighted Average Cost of Capital
WACC	Weighted Average Cost of Capital

[i] https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement

[ii] https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

[iii] https://www.gov.ie/en/publication/ccb2e0-the-climate-action-plan-2019/

[iv] https://www.economy-ni.gov.uk/articles/northern-ireland-energy-strategy-2050

[v] https://eaireland.com/wp-content/uploads/2020/11/Our-Zero-e-Mission-Future-Report.pdf

[vi] https://windenergyireland.com/images/files/our-climate-neutral-future-0by50-final-report.pdf

[vii] https://windenergyireland.com/events/3190-iwea-2020-conference

[viii] https://www.britishirishchamber.com/event/energy-security-building-a-pathway-to-net-zero/

[ix] Excludes the generation of the Ballylumford power station in Northern Ireland which is administered by PPB

[x] This calculation takes account of the average carbon intensity of markets from which Renewable Electricity Guarantees of Origin are purchased, pursuant to the applicable EU rules including the Renewable Energy Directive.

[xi] https://www.cru.ie/document_group/fuel-mix-and-co2-emissions-disclosure-2/

[xii] Calculation based on an electricity unit rate of 10c/kWh and gas unit rate of 4.5c/kWh

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