

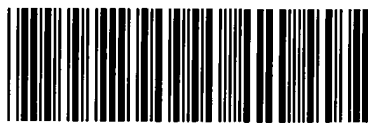
Registered number: 9688977

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Directors' report and financial statements

For the period 1 August 2016 to 31 December 2017

WEDNESDAY



A78YEQWI

A09

27/06/2018

#343

COMPANIES HOUSE

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Company Information

Directors	Y. Burke J. Healy K.McKervey P.O'Hiceadha C.McAllister
Company secretary	J. Healy
Registered number	9688977
Registered office	Tricor Suite 4th Floor 50 Mark Lane London England EC3R 7QR
Independent auditors	PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm One Spencer Dock North Wall Quay Dublin 1 Ireland
Bankers	Danske Bank 75 King William Street London United Kingdom EC4N 7DT
Solicitors	ESB Legal Services Two Gateway East Wall Road Dublin 3 Ireland D03 A995

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Contents

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 19

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Directors' report For the period ended 31 December 2017

The directors present their report and the financial statements for the period ended 31 December 2017. The comparative period is from the date of incorporation, being 16 July 2015 to 31 July 2016.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

Principal activities

The company was incorporated on 16 July 2015 as Lavender Energy Supply Limited. On 20 April 2017, Electricity Supply Board ("ESB") purchased 100% of the share capital of Lavender Energy Supply Limited and changed its name to ESB Energy Limited on 2 May 2017.

ESB Energy Limited is a 100% subsidiary of ESB Group (UK) Limited which is a fully owned subsidiary of ESB.

The principal activity of the company is the supply of electricity and gas in the United Kingdom to residential customers.

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Directors' report (continued) For the period ended 31 December 2017

Results and dividends

The loss for the period, after taxation, amounted to £2,980 thousand (2016 - profit £NIL) driven by set up costs of the company.

The company began trading in July 2017 with a controlled market entry to the GB retail energy market and in November 2017 began full operations. The directors are satisfied with the progress made by the company in the year. The directors will continue to seek additional opportunities in the company's principal area of activity and intend to continue to grow its market presence in the GB retail energy market.

The results were delivered in conjunction with an excellent performance in employee safety with no lost time incidents arising and in compliance with all regulatory licence conditions.

No dividend was declared by the directors.

Going Concern

The company is dependent on the financial support of its parent which historically has been, and continues to be forthcoming. Consequently, the company considers that it has sufficient resources to meet its financial obligations as they fall due for at least the next twelve months from the date of approval of these financial statements. On that basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Further details are set out in note 1 to the financial statements.

Directors, secretary and their interests

The directors who served during the period were:

Y. Burke
J. Healy
K. McKervey
P. O'Hiceadha
C. McAllister
P. Stapleton (appointed 20 April 2017, resigned 9 April 2018)
A. Green (resigned 20 April 2017)
M. Hirst (resigned 20 April 2017)

On 20 April 2017, J. Healy was appointed company secretary.

The directors and secretary had no disclosable interests in the shares of the company, or any other group company, as defined in section 177 of the Companies Act 2006, at 31 December 2017 or 31 December 2016.

Political and charitable contributions

The company made no political or charitable contributions during the period.

Future developments

The directors will continue to seek additional opportunities in the company's principal area of activity and intend to continue to grow its market presence in the GB retail energy market.

Qualifying third party indemnity provisions

A directors' insurance policy is in place for directors acting in ESB Energy Limited (formerly known as Lavender Energy Supply Limited).

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Directors' report (continued)

For the period ended 31 December 2017

Events since the end of the period

There have been no significant events since the Balance Sheet date that the directors believe require adjustment to, or disclosure in the financial statements.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information (within the meaning of section 418(2) of the Companies Act 2006).

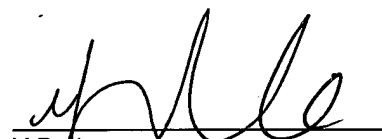
Auditors

The auditors, PricewaterhouseCoopers were appointed as auditors during the year and will continue in office in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the exemption provided by section 414B of the Companies Act 2006 in relation to the preparation of a Strategic Report. The directors have also taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Y. Burke
Director

Date: 15 June 2018



P. O'Hiceadha
Director

Date: 15 June 2018

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Independent auditors' report to the members of ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Report on the audit of the financial statements

Opinion

In our opinion, ESB Energy Limited's (formerly known as Lavender Energy Supply Limited) financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and financial statements, which comprise:

- the balance sheet as at 31 December 2017;
- the profit and loss account for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Independent auditors' report to the members of ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Independent auditors' report to the members of ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Mary Cleary

Mary Cleary (Senior Statutory Auditor)

for and on behalf of

PricewaterhouseCoopers

Chartered Accountants and Statutory Audit Firm

One Spencer Dock

North Wall Quay

Dublin 1

Ireland

15 June 2018

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

**Profit and loss account
For the period ended 1 August 2016 to 31 December 2017**

		Period ended 31 December 2017 £000	Period ended 31 July 2016 £000
Turnover	3	359	-
Cost of sales		(360)	-
Gross loss		(1)	-
Administrative expenses		(3,708)	-
Operating loss		(3,709)	-
Tax credit on loss on ordinary activities	6	729	-
Loss for the financial period		(2,980)	-

The notes on pages 11 to 19 form part of these financial statements.

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

**Statement of comprehensive income
For the period ended 1 August 2016 to 31 December 2017**

	Period ended 31 December 2017 £000	Period ended 31 July 2016 £000
Loss for the financial period	(2,980)	-
Total comprehensive loss for the period	(2,980)	-

The notes on pages 11 to 19 form part of these financial statements.

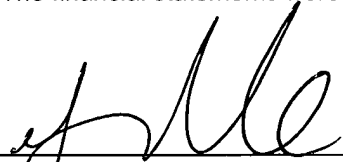
ESB Energy Limited (formerly known as Lavender Energy Supply Limited)
Registered number:9688977

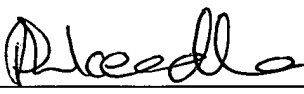
Balance sheet
As at 31 December 2017

	Note	31 December 2017 €000	31 July 2016 €000
Non-current assets			
Intangible assets	7	2,642	-
Current assets			
Debtors	8	903	-
Cash at bank and in hand	9	7,089	-
		<u>7,992</u>	<u>-</u>
Current liabilities			
Creditors	10	(13,614)	-
		<u>(5,622)</u>	<u>-</u>
Net current liabilities			
		<u>(2,980)</u>	<u>-</u>
Total assets less current liabilities			
		<u>(2,980)</u>	<u>-</u>
Capital and reserves			
Share capital	11	-	-
Profit and loss account		(2,980)	-
		<u>(2,980)</u>	<u>-</u>
Shareholders' deficit			
		<u>(2,980)</u>	<u>-</u>

The company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


 Y. Burke
 Director


 P. O'Hiceadha
 Director

Date: 15 June 2018

The notes on pages 11 to 19 form part of these financial statements.

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Statement of changes in equity

For the period ended 1 August 2016 to 31 December 2017

	Share capital £000	Profit and loss account £000	Total equity £000
At incorporation 16 July 2015 and 31 July 2016	-	-	-
Loss for the period 1 August 2016 to 31 July 2017	-	(2,980)	(2,980)
Total comprehensive loss for the period	-	(2,980)	(2,980)
Total transactions with owners of the company	-	-	-
At 31 December 2017	-	(2,980)	(2,980)

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Notes to the financial statements For the period ended 31 December 2017

1. Accounting policies

ESB Energy Limited is a limited company incorporated and operating in the United Kingdom. The principal activity of the company is the supply of electricity and gas in the United Kingdom to residential customers.

The financial statements are presented in Sterling, which is the functional currency of the company.

1.1 Basis of preparation of financial statements

The financial statements of ESB Energy Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, except for derivative financial instruments which are valued at fair value, and in accordance with the Companies Act 2006.

1.2 Financial Reporting Standard 101 - reduced disclosure exemptions

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- IAS 1: Presentation of Financial Statements: Certain disclosures including comparative information
- IAS 7: Statement of Cash Flows: A Cash Flow Statement and related notes
- IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 24: Related Party Disclosures: Disclosures in respect of transactions with wholly owned subsidiaries
- IAS 24: Related Party Disclosures: Disclosures in respect of the compensation of key management personnel

As the consolidated financial statements of Electricity Supply Board (ESB), the company's parent undertaking, include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 7: Financial Instrument Disclosures: Disclosures relating to financial instruments
- IFRS 13: Fair Value Measurement.
- IAS 36: Impairment of Assets.

1.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company has adequate financial resources to continue in operational existence for at least 12 months from the date of approval of these financial statements.

At 31 December 2017 the Company had net liabilities £2.9m.

The directors, having regard to the continued support of ESB, have a reasonable expectation that the company will have adequate financial resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

1.4 Impairment

Assets not yet in use are tested annually for impairment. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU).

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Notes to the financial statements For the period ended 31 December 2017

1. Accounting policies (continued)

1.5 Intangible assets

Development costs that are directly associated with the production of identifiable and unique software products controlled by the company and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it - there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell
- the software is available
- the expenditure attributable to the software during its development can be reliably measured.

Direct costs include the costs of software development, employees and an appropriate portion of relevant overheads. These assets are measured at cost less accumulated amortisation, which is estimated over their estimated useful lives (three to five years) on a straight line basis, and accumulated impairment losses.

1.6 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of transactions. The resulting monetary assets and liabilities are translated at the rate ruling at the Balance Sheet date and the exchange differences are dealt with in the Profit and Loss Account. Non-monetary assets and liabilities measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.7 Amounts payable to and receivable from Group companies

Intercompany debtors and creditors, including loans, are non-derivative financial assets and liabilities which are not quoted in an active market. Those with maturities less than twelve months after the Balance Sheet date are included in current assets and current liabilities respectively.

Those with maturities greater than twelve months after the Balance Sheet date are included in noncurrent assets or liabilities, as appropriate. The balances are initially recorded at fair value and thereafter at amortised cost.

1.8 Share capital

Financial instruments that have been issued are classified as equity where they meet the definition of equity and confer on the holder a residual interest in the assets of the company. Ordinary shares are classified as equity.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits repayable on demand and other short-term highly liquid investments with original maturities of three months or less.

1.10 Creditors

Creditors and other payables are initially recorded at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest rate method.

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Notes to the financial statements For the period ended 31 December 2017

1. Accounting policies (continued)

1.11 Debtors

Debtors are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method less provision made for impairment.

Specific provisions are made where there is objective evidence of impairment, for example where there is an inability to pay.

1.12 Turnover

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of activities. Turnover is presented, net of value-added tax, rebates and discounts. Turnover is based on the consumption of electricity and gas. Revenue includes the value of units supplied to customers between the date of the last meter reading and the period end, this estimate is included in trade and other receivables in the balance sheet as unbilled consumption.

1.13 Energy costs

Energy costs comprise purchased electricity and gas, Use of System charges and net emissions costs. Purchased electricity and gas costs are recognised as they are utilised.

1.14 Current and deferred taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or equity.

Current tax

Current tax is provided at current rates and is calculated on the basis of results for the period.

Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Notes to the financial statements For the period ended 31 December 2017

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The measurement of certain assets, liabilities, income and costs at year end require a degree of estimation and judgement. This includes the calculation of unbilled electricity and gas income and provisions in respect of trade and other receivables.

Intangible Assets

The directors believe the significant area of judgement and estimation is the capitalisation of costs associated with the development of the company's billing system and the valuation of intangible assets. The directors expect, upon completion the software will generate sufficient positive cash flows over its useful life and that no impairment exists at the balance sheet date.

3. Turnover

An analysis of turnover by class of business is as follows:

	31 December 2017 £000	31 July 2016 £000
Gas	166	-
Electricity	193	-
	<u>359</u>	<u>-</u>

All turnover arose within the United Kingdom.

4. Auditors' remuneration

The following amounts were paid to the company's auditors in respect of the audit of the financial statements:

	31 December 2017 £000	31 July 2016 £000
Audit fees	10	-
	<u>10</u>	<u>-</u>

The audit fee is paid by a fellow group company.

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

**Notes to the financial statements
For the period ended 31 December 2017**

5. Employees and directors' remuneration

Employee services were provided by a fellow group undertakings to the company. Costs and expenses incurred in respect of these employees were recharged to the company as follows:

	31 December 2017 £000	31 July 2016 £000
Wages and salaries	841	-
Social welfare costs	62	-
Pension costs	66	-
	<u>969</u>	<u>-</u>

During the year, no directors received any emoluments (2016 - £Nil), in respect of acting as directors to the company.

6. Taxation

	31 December 2017 £000	Period ended 31 July 2016 £000
Corporation tax		
Current tax credit on loss for the year	(729)	-
Total current tax	<u>(729)</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(729)</u>	<u>-</u>

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

**Notes to the financial statements
For the period ended 31 December 2017**

6. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than the tax based on the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	31 December 2017 £000	Period ended 31 July 2016 £000
Loss on ordinary activities before tax	(3,709)	-
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25%	(714)	-
Effects of:		
Expenses not deductible for tax purposes	7	-
Other	(22)	-
Total tax charge for the period	(729)	-

The tax on losses incurred have been surrendered to a fellow group company.

Factors that may affect future tax charges

The UK corporation tax rate for the financial year was 20% to 31 March 2017 and 19% from 1 April 2017. This resulted in an effective rate of 19.25% (2016: 20%). The 2016 Budget for the UK included the provision that the UK corporation tax rate will reduce to 17% over a period up to 2020. The reduction in the UK corporation tax rate to 17% (effective 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the Company's future current tax charge accordingly.

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

**Notes to the financial statements
For the period ended 31 December 2017**

7. Intangible assets

	Software Under Development £000
Cost	
At 1 August 2016	-
Additions - internal	2,642
At 31 December 2017	<u>2,642</u>
Net book value	
At 31 December 2017	<u>2,642</u>
At 31 July 2016	<u>-</u>

Software assets include internally developed assets. Upon the asset being put in use amortisation of intangible assets is charged to the income statement as part of operating costs.

8. Debtors

	31 December 2017 £000	31 July 2016 £000
Receivables from trade customers - Unbilled	124	-
Amounts owed by group undertakings	729	-
VAT recoverable	50	-
	<u>903</u>	<u>-</u>

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

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

**Notes to the financial statements
For the period ended 31 December 2017**

9. Cash and cash equivalents

	31 December 2017 £000	31 July 2016 £000
Cash at bank and in hand	7,089	-
	<u>7,089</u>	<u>-</u>

10. Creditors: Amounts falling due within one year

	31 December 2017 £000	31 July 2016 £000
Trade creditors	39	-
Amounts owed to group undertakings	12,553	-
Accruals	1,022	-
	<u>13,614</u>	<u>-</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11. Share capital

	31 December 2017 £000	31 July 2016 £000
Allotted, called up and not paid		
1 Ordinary share of £1	<u>-</u>	<u>-</u>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

ESB Energy Limited (formerly known as Lavender Energy Supply Limited)

Notes to the financial statements For the period ended 31 December 2017

12. Controlling party

The company is 100% owned by ESB Group (UK) Limited, a company incorporated in the United Kingdom. ESB Group (UK) Limited is a wholly owned subsidiary of Electricity Supply Board (ESB). ESB, established and operating in Ireland, is the ultimate parent. The largest and smallest group into which the results of the company are consolidated is that headed by ESB and the consolidated financial statements of ESB are available to the public and may be obtained from Two Gateway, East Wall Road, Dublin 3, D03 A995, Ireland.