Viridian Group Investments Limited

Unaudited Interim Consolidated Financial Statements

First Quarter 2019

GROUP FINANCIAL HIGHLIGHTS

Underlying Business Results[1]

First Quarter 2019

- Group pro-forma Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for First Quarter 2019 was £28.3m (2018 - £29.2m)

- Group pro-forma operating profit for First Quarter 2019 was £19.3m (2018 - £20.4m)

IFRS Results

First Quarter 2019

- Revenue for First Quarter 2019 was £392.9m (2018 - £312.7m)

- Operating profit before exceptional items and certain remeasurements for First Quarter 2019 was £20.9m (2018 - £28.9m)

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

MANAGEMENT REPORT

The director of Viridian Group Investments Limited (VGIL) presents the condensed interim consolidated financial statements for VGIL for the 3 months ended 30 June 2018 (First Quarter 2019) including comparatives for the 3 months ended 30 June 2017 (First Quarter 2018). All references in this document to ‘Group’ denote Viridian Group Investments Limited and its subsidiary undertakings and to ‘Company’ denote Viridian Group Investments Limited, the parent company.

Principal Activities

There were no changes to the principal activities of the Group’s businesses during First Quarter 2019. These comprise:

- Energia Group – a vertically integrated energy business with activities covering supply, generation and renewable supported off-take contracts. Through Energia, its retail supply business, it is active in the competitive supply of electricity to business and residential customers in the RoI, as well as business customers in Northern Ireland. Energia Retail also supplies natural gas to business and residential customers in the RoI. Energia Group also has a generation portfolio comprising of wholly-owned wind generation assets, two conventional (Huntstown) combined-cycle gas turbine (CCGT) plants and a bioenergy plant under construction. Energia Group’s retail electricity supply business is supported by long-term off-take Power Purchase Agreement (PPA) contracts with third-party renewable generators and its own wind farm assets;

- Power NI – supply of electricity primarily to residential customers in Northern Ireland; and

- PPB – procurement of power under contract with the Ballylumford power station in Northern Ireland.

New Accounting Standards

The Group has adopted two new accounting standards, IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments which have resulted in the restatement of previous financial statements for the First Quarter 2018 and the year ended 31 March 2018. The nature and effect of these changes are described in note 1 and detailed in note 22.

Group pro-forma EBITDA and Operating Profit

The Group's pro-forma EBITDA and operating profit (pre exceptional items and certain remeasurements) by business is shown below:

	EBITDA[1]			Operating Profit[1]		
	First Quarter 2019 £m	Restated First Quarter 2018 £m	Restated Year ended 31 March 2018 £m	**First Quarter 2019 £m**	Restated First Quarter 2018 £m	Restated Year ended 31 March 2018 £m
Energia Group (excluding renewable assets)	**14.0**	14.8	61.4	**9.4**	**10.0**	42.0
Energia renewable assets	**5.3**	4.5	27.6	**1.3**	**1.0**	12.9
Power NI	**8.5**	8.8	35.1	**8.3**	**8.4**	33.9
PPB	**0.5**	0.9	5.9	**0.5**	**0.9**	5.9
Other	**-**	0.2	0.8	**(0.2)**	**0.1**	0.2
	28.3	29.2	130.8	**19.3**	**20.4**	94.9

Energia Group (excluding renewable assets) EBITDA (pre exceptional items and certain remeasurements) decreased to £14.0m (2018 - £14.8m) primarily reflecting lower non-residential earnings with increased competition and higher energy costs (associated with higher gas prices) and lower availability and utilisation of Huntstown 1, partly offset by higher availability and utilisation of Huntstown 2, higher contributions from renewable PPAs (primarily reflecting higher market prices (including ROC prices)), higher residential earnings (associated with continued growth in the RoI residential market) and the favourable impact of foreign exchange translation (with the strengthening of Euro to Sterling compared to the same period last year).

Energia Group (excluding renewable assets) operating profit for First Quarter 2019 decreased to £9.4m (2018 - £10.0m) primarily due to the reasons described above for EBITDA.

Energia renewable assets EBITDA increased to £5.3m (2018 - £4.5m) and operating profit increased to £1.3m (2018 - £1.0m) reflecting the commissioning of new wind farms together with higher market prices.

Power NI EBITDA decreased to £8.5m (2018 - £8.8m) and operating profit decreased to £8.3m (2018 - £8.4m) primarily reflecting lower regulated and unregulated margins and higher operating costs, partly offset by higher contributions from small scale renewable PPAs.

PPB EBITDA and operating profit decreased to £0.5m (2018 - £0.9m) primarily reflecting higher operating costs.

[1] *As shown in note 2 to the accounts*

Business Reviews

Energia Group (excluding renewable assets)

KPIs	**First Quarter 2019**	First Quarter 2018	Year end 31 March 2018
Availability (%)			
- Huntstown 1	**88.5**	100.0	97.5
- Huntstown 2	**99.4**	79.0	92.9
Unconstrained utilisation (%)			
- Huntstown 1	**21.1**	40.3	21.3
- Huntstown 2	**50.4**	11.7	23.2
Incremental impact of constrained utilisation (%)			
- Huntstown 1	**9.2**	26.2	29.9
- Huntstown 2	**12.3**	0.3	6.7
Customer sites (number)			
- Non-residential			
- electricity	**55,300**	53,400	55,800
- gas	**4,100**	4,500	4,300
	59,400	57,900	60,100
- Residental			
- electricity	**143,400**	112,400	141,400
- gas	**51,700**	39,300	50,700
	195,100	151,700	192,100
Energia electricity sales (TWh)	**1.5**	1.1	5.3
Energia gas sales (million therms)	**15.7**	14.7	78.3
Complaints to the CCNI and CRU (number)	**-**	1	4
Contracted renewable generation capacity in operation in Northern Ireland and the RoI (MW)			
- average during the period	**998**	1,035	984
- at end of period	**998**	981	998

Huntstown 1 availability for First Quarter 2019 was 88.5% (2018 – 100.0%) reflecting a 10 day planned outage which took place in May 2018 in relation to a minor inspection on the gas turbine.

Huntstown 2 availability for First Quarter 2019 was 99.4% (2018 – 79.0%). The prior year lower availability reflects a 22 day outage which commenced in June 2017.

Huntstown 1 unconstrained utilisation for First Quarter 2019 was 21.1% (2018 – 40.3%). The incremental impact of constrained utilisation for Huntstown 1 for First Quarter 2019 was 9.2% (2018 – 26.2%).

Huntstown 2 unconstrained utilisation for First Quarter 2019 was 50.4% (2018 – 11.7%). The incremental impact of constrained utilisation for Huntstown 2 for First Quarter 2019 was 12.3% (2018 – 0.3%).

Non-residential electricity customer sites were 55,300 at 30 June 2018 (31 March 2018 – 55,800). Non-residential gas customer sites were 4,100 at 30 June 2018 (31 March 2018 – 4,300).

Residential electricity and gas customer sites increased to 195,100 at 30 June 2018 (31 March 2018 – 192,100).

Total electricity sales volumes were 1.5TWh for First Quarter 2019 (2018 - 1.1TWh). Total gas sales volumes were 15.7m therms for First Quarter 2019 (2018 – 14.7m therms).

During First Quarter 2019 Energia received no customer complaints to the CCNI and CRU (2018 – 1).

Energia Group (continued)

Renewable PPA portfolio

Energia Group's renewable portfolio primarily consists of offtake contracts with third party-owned wind farms (including wind generation assets in which the Group has an equity interest).

Energia 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.

The average contracted renewable generation capacity in operation during the First Quarter 2019 was 998MW (2018 - 1,035MW) with 30 June 2018 capacity of 998MW (31 March 2018 – 998MW).

At 30 June 2018, the operating capacity under contract in Northern Ireland was 413MW (31 March 2018 – 413MW) and the RoI operating capacity was 585MW (31 March 2018 – 585MW).

Energia renewable assets

Wind Generation Assets

KPIs	**First Quarter 2019**	First Quarter 2018	Year end 31 March 2018
Wind generation capacity in operation in Northern Ireland and the RoI (MW)			
- average during the period	**223**	196	203
- at end of period	**223**	202	223
Availability (%)	**98.4**	96.9	96.3
Wind factor (%)	**20.3**	21.6	27.3

Energia renewable assets availability was 98.4% (2018 – 96.9%) with a wind factor of 20.3% (2018 – 21.6%).

The Group currently owns wind farm projects with the following forecast generation capacity as at 30 June 2018:

MW	Operating	Under construction	**Total**
NI	119	54	**173**
RoI	104	-	**104**
	223	**54**	**277**

The average owned wind generation capacity in operation during the First Quarter 2019 was 223MW (2018 - 196MW) with 30 June 2018 capacity of 223MW (31 March 2018 – 223MW).

At 30 June 2018, the owned wind generation capacity in operation in Northern Ireland was 119MW (31 March 2018 – 119MW) and the RoI operating capacity was104MW (31 March 2018 – 104MW). 54MW of owned wind generation capacity in Northern Ireland relates to 3 wind farms which are currently under construction. All sites have been energised and commissioning of the wind farms is expected by Third Quarter 2019.

In June 2018, non-recourse project finance facilities of up to £24.7m were put in place in respect of the two remaining wind farms with a combined capacity of 18MW in Northern Ireland. All wind farm projects now have project finance facilities in place.

The Energia Group also retains a minority share of 25% in the RoI wind farm projects and 20% in the Northern Ireland wind farm projects of which a majority was sold to the Irish Infrastructure Fund in June 2012.

Distributions of £3.0m were made in the First Quarter 2019 (2018 - £0.1m) from the wholly owned renewable assets to the Restricted Group together with £0.6m (2018 - £0.2m) from the minority assets

Energia renewable assets (continued)

Bioenergy Assets

In May 2018, the Energia Group completed the acquisition of CEHL (Dublin) Bioenergy Limited and subsidiary, Huntstown Bioenergy Limited, from Connective Energy Holdings Limited and entered into an Engineering Procurement Contract (EPC) for the design and build of the state of the art 4.9MW anaerobic digestion facility at Huntstown which will process up to 100,000 tonnes of organic municipal waste from the Dublin region and will produce c32GWh of green renewable electricity on an annual basis. Huntstown Bioenergy Limited has entered into a long term fuel supply agreement to supply the majority of organic waste for the plant over 10 years at fixed prices. The total cash flows on acquisition were £1.1m and total consideration for the acquisition was £0.5m cash and £2.3m discounted contingent consideration (£2.6m undiscounted). It is intended to put project finance facilities in place and commercial operation is expected by December 2019 with the plant benefitting from the Renewable Energy Feed-In Tariff scheme (REFIT) support.

Power NI

KPI	**First Quarter 2019**	First Quarter 2018	Year end 31 March 2018
Stage 2 complaints to the Consumer Council (number)	**1**	1	3
Customers (number)			
- Residential	**463,000**	479,000	466,000
- Non-residential	**35,000**	34,000	34,000
	498,000	513,000	500,000
Electricity sales (TWh)	**0.5**	0.5	2.5
Contracted renewable generation capacity in operation (deregulated) (MW)			
- average during the period	**261**	144	214
- at end of period	**264**	207	251

During the First Quarter 2019 Power NI received 1 (2018 - 1) Stage 2 complaints to the Consumer Council.

Residential customer sites decreased to 463,000 at 30 June 2018 (31 March 2018 – 466,000). Non-residential customer sites were 35,000 at 30 June 2018 (31 March 2018 – 34,000).

Electricity sales for First Quarter 2019 were in line with the prior year quarter at 0.5TWh.

Power NI's deregulated renewable PPA portfolio consists of contracts with small to medium scale renewable generation sites primarily from wind, anaerobic digestion and biomass technologies. The average contracted generation capacity in operation during the quarter was 261MW (2018 – 144MW) with 30 June 2018 capacity increasing to 264MW (31 March 2018 – 251MW).

On the 25 May 2018, and in light of the delay in the introduction of I-SEM from 23 May 2018 to 1 October 2018, the Utility Regulator confirmed its intention to extend Power NI's current price control a further 2 years, from 1 April 2019 to 31 March 2021, based on Power NI agreeing to share with customers the benefits of annual efficiency gains made during the current price control period. We are awaiting licence modifications consultation.

On 16 August 2018, Power NI announced a 13.8% increase in its regulated electricity tariff, effective 1 October 2018, reflecting an increase in its expected wholesale energy costs. The tariff increase was agreed with the Utility Regulator.

PPB

As at 30 June 2018 the generation capacity remaining under contract to PPB comprised 600MW at Ballylumford (31 March 2018 – 600MW).

The Utility Regulator has set out a timetable for the revision of PPB's price control. The revised price control is scheduled to be effective from May 2019 and expected to run until September 2023 to coincide with the expiry of the Generation Unit Agreement covering 600MW of CCGT capacity at Ballylumford. PPB submitted their Business Efficiency Questionnaire and response to other queries on PPB's Business Performance on 29 June 2018.

Regulation Update

Regulatory process in respect of I-SEM capacity remuneration mechanism

The Group has now reached agreement with EirGrid on Heads of Terms for transmission reserve contracts for the Huntstown plants and we expect to sign the contracts before I-SEM go-live on 1 October 2018.

I-SEM go-live confirmation

On 31 August 2018 the SEM committee confirmed that the new I-SEM market will go-live on 1 October 2018.

Proposed Renewable Energy Support Scheme in RoI

On 24 July 2018 the RoI government approved its Renewable Energy Support Scheme ("RESS") as the follow-on renewables support mechanism to REFIT. The scheme will comprise of a series of renewable technology competitive auctions, run periodically throughout the lifetime of the scheme. The State Aid Notification process, which the DCCAE expect to take between six to nine months, has commenced and the first auction under the new scheme will take place as early as possible in 2019 once state aid clearance has been secured.

Health & Safety Update

In August 2018 the National Standards Authority of Ireland certified the Group to ISO 45001:2018 Occupational Health and Safety Management Standard and ISO 14001:2015 Environmental Management Standard.

Revenue

	First Quarter 2019 £m	Restated First Quarter 2018 £m	Restated Year end 31 March 2018 £m
Energia Group (excluding renewable assets)	**280.1**	207.5	1,096.9
Energia renewable assets	**7.9**	6.4	35.0
Power NI (based on regulated entitlement)	**79.5**	69.2	334.5
PPB (based on regulated entitlement)	**30.7**	28.7	125.6
Adjustment for over/(under)-recovery	**1.6**	8.5	(4.3)
Inter business elimination	**(6.9)**	(7.6)	(37.0)
Total revenue from continuing operations	**392.9**	312.7	1,550.7

Revenue increased to £392.9m (2018 - £312.8m). The breakdown by business is as follows:

Energia Group (excluding renewable assets) revenue increased to £280.1m (2018 - £207.5m) primarily reflecting higher non-residential electricity sales volumes and prices, higher availability and utilisation of Huntstown 2, higher residential revenue (associated with the continued growth in the ROI residential market), the favourable impact of foreign exchange translation (with the strengthening of Euro to Sterling compared to the same period last year), higher interconnector revenue and higher renewable PPA revenues (due to higher market prices (including ROC prices)), partly offset by lower availability and utilisation of Huntstown 1 (due to the outage in May 2018).

Energia renewable assets revenue increased to £7.9m (2018 - £6.4m) reflecting the commissioning of new wind farms and higher market prices.

Power NI revenue (based on regulated entitlement) increased to £79.5m (2018 - £69.2m) primarily due to higher regulated revenue (reflecting the tariff increase in October 2017) and higher deregulated revenue, partly offset by a reduction in residential customer numbers.

PPB revenue (based on regulated entitlement) increased to £30.7m (2018 - £28.7m) primarily due to higher pass through of wholesale costs, partly offset by lower availability and utilisation of the Ballylumford plant.

During the First Quarter 2019 the Power NI Energy regulated businesses over-recovered against their regulated entitlement by £1.6m (2018 – £8.5m) and at 30 June 2018 the cumulative over-recovery against regulated entitlement was £12.2m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

Operating costs

Operating costs (pre exceptional items and certain remeasurements) include energy costs, employee costs, depreciation and amortisation and other operating charges.

Energy costs include the cost of wholesale energy purchases from the SEM pool, capacity payments made to the SEM, the cost of natural gas and fixed and variable natural gas capacity costs for the Huntstown plants, emissions costs, use of system charges and costs for third party renewable PPAs. Employee costs include salaries, social security costs and pension costs. Other operating charges include costs such as operating and maintenance costs, insurance, local business taxes, consultancy, marketing, licence fees and Information Technology (IT) services.

Operating costs (pre exceptional items and certain remeasurements) for First Quarter 2019 increased to £372.0m (2018 - £283.8m).

Operating costs (continued)

Energy costs increased to £341.0m (2018 - £257.4m) primarily reflecting higher energy costs (associated with higher prices), higher non-residential electricity sales volumes, higher availability and utilisation of Huntstown 2, higher RoI residential electricity and gas volumes, the impact of foreign exchange translation (with the strengthening of Euro to Sterling compared to last year) and higher gas costs, partly offset by lower availability and utilisation of Huntstown 1.

Employee costs increased to £7.8m (2018 – £6.8m) primarily reflecting an increase in headcount.

Depreciation and amortisation increased to £9.0m (2018 – £8.8m) primarily due to the increase in depreciation of renewable assets (associated with the commissioning of new assets).

Other operating charges increased to £14.2m (2018 - £10.8m) primarily due to higher maintenance costs in Huntstown 1 (associated with the outage in May 2018), higher maintenance costs in Huntstown 2 (associated with higher utilisation partly offset by lower outage costs) and the impact of foreign exchange translation (with the strengthening of Euro to Sterling compared to last year).

Group operating profit

	First Quarter 2019 £m	Restated First Quarter 2018 £m	Restated Year end 31 March 2018 £m
Energia Group (excluding renewable assets)	**9.4**	10.0	42.0
Energia renewable assets	**1.3**	1.0	12.9
Power NI	**8.3**	8.4	33.9
PPB	**0.5**	0.9	5.9
Other	**(0.2)**	0.1	0.2
Group pro-forma operating profit	**19.3**	20.4	94.9
Over/(under)-recovery of regulated entitlement	**1.6**	8.5	(4.3)
Operating profit	**20.9**	28.9	90.6

All of the above amounts are pre exceptional items and certain remeasurements as shown in note 2 to the accounts

Operating profit (pre exceptional items and certain remeasurements) decreased to £20.9m (2018 - £28.9m) primarily reflecting a lower over-recovery of regulated entitlement of £1.6m (2018 - £8.5m) and a decrease in group pro-forma operating profit (pre exceptional items and certain remeasurements) for First Quarter 2019 to £19.3m (2018 - £20.4m).

Energia Group (excluding renewable assets) operating profit for First Quarter 2019 decreased to £9.4m (2018 - £10.0m) primarily reflecting the decrease in EBITDA outlined previously.

Energia renewable assets operating profit for First Quarter 2019 increased to £1.3m (2018 - £1.0m) reflecting the increase in EBITDA outlined previously, partly offset by depreciation associated with the commissioning of new wind farms.

Power NI operating profit decreased to £8.3m (2018 - £8.4m) reflecting the decrease in EBITDA outlined previously.

PPB operating profit decreased to £0.5m (2018 - £0.9m) reflecting the decrease in EBITDA outlined previously.

Exceptional items and certain remeasurements

Exceptional items for First Quarter 2019 of £0.2m (2018 - £0.1m) reflect exceptional costs associated with acquisitions whether successful or unsuccessful. Certain remeasurements for First Quarter 2019 were £15.9m gain (2018 - £2.8m) and reflect the recognition of the fair value movements of derivatives as outlined in note 5 to the accounts.

Net finance costs

Net finance costs (pre exceptional items and certain remeasurements) for First Quarter 2019 decreased from £13.2m to £7.5m primarily reflecting a decrease in the Senior secured notes interest charge associated with the refinancing undertaken in September 2017 and a higher benefit from 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) for the First Quarter 2019 was £0.8m (2018 – £1.2m).

Cash flow before acquisitions, disposals, interest and tax

Group cash flow before acquisitions, disposals, interest and tax is summarised in the following table:

	First Quarter 2019 £m	Restated First Quarter 2018 £m	Restated Year end 31 March 2018 £m
Group pro-forma EBITDA (1)	**28.3**	29.2	130.8
Defined benefit pension charge less contributions paid	**-**	-	(1.1)
Net movement in security deposits	**2.2**	0.5	(1.7)
Changes in working capital(2)	**9.1**	5.8	24.2
Over/(under)-recovery of regulated entitlement	**1.6**	8.5	(4.3)
Exceptional items	**-**	(0.1)	(0.3)
Foreign exchange translation	**(0.1)**	(0.2)	1.1
Share based payment	**0.5**	-	-
Cash flow from operating activities	**41.6**	43.7	148.7
Net capital expenditure (3)	**(27.7)**	(23.7)	(74.8)
Expenditure from sale and purchases of other intangibles	**(3.8)**	(3.5)	(7.2)
Cash flow before acquisitions, disposals, interest and tax	**10.1**	16.5	66.7

(1) Includes EBITDA of renewable assets for First Quarter 2019 £5.3m (2018 - £4.5m); year ended 31 March 2018 £27.6m.
(2) Includes changes in working capital of renewable assets for First Quarter 2019 of £1.6m increase (2018 – £0.3m decrease); year ended 31 March 2018 £3.9m increase.
(3) Includes capital expenditure on renewable assets for First Quarter 2019 £23.3m (2018 - £19.9m); year ended 31 March 2018 £61.0m and intangible asset (software and customer acquisition costs) expenditure for First Quarter 2019 £2.9m (2018 - £3.3m); year ended 31 March 2018 £12.4m.

Group cash flow from operating activities for First Quarter 2019 decreased to £41.6m (2018 - £43.7m) primarily reflecting a reduction in the over-recovery of regulated entitlement £1.6m (2018 - £8.5m), partly offset by a higher decrease in working capital £9.1m (2018 - £5.8m) and a higher decrease in security deposits of £2.2m (2018 - £0.5m).

Net movement in security deposits

The net movement in security deposits for First Quarter 2019 was a decrease of £2.2m (2018 – £0.5m). As at 30 June 2018 there were £1.9m (31 March 2018 – £4.1m) of security deposits in place.

Cash flow before acquisitions, disposals, interest and tax (continued)

Changes in working capital

Working capital consists of inventories plus trade and other receivables (primarily retail energy sales including unbilled consumption, wholesale energy income, capacity payment income and ROC sales), prepayments and accrued income less trade and other creditors (primarily wholesale energy costs, capacity payments, natural gas and fixed natural gas capacity costs, renewable PPA costs, ROC costs, emission costs and use of system charges), payments received on account, accruals and tax and social security.

Working capital decreased by £9.1m (2018 – £5.8m) due to a decrease in working capital requirements of Power NI and Energia Group (excluding renewable assets), partly offset by an increase in the working capital requirements of PPB, Energia renewable assets and other Viridian holding companies.

Energia Group (excluding renewable assets) working capital decreased by £7.8m (2018 – £2.3m) primarily due to a decrease in trade debtors and accrued income (primarily reflecting the seasonal decrease in non-residential sales volumes and prices, an increase in REFIT creditor for renewable PPAs (due to higher market prices), an increase in VAT creditor (due to settlement timing differences) partly offset by an increase in the ROC debtor), partly offset by a decrease in trade creditors and accruals (primarily due to the seasonal decrease in electricity and gas sales volumes and prices and a decrease in renewable PPA creditors (due to reduced volumes), partly offset by higher plant utilisation), a decrease in emissions liability (associated with the annual compliance settlement) and a decrease in ROC creditor.

Energia renewable assets working capital increased by £1.6m (2018 – decrease of £0.3m) primarily due to a higher VAT debtor (due to settlement timing differences), partly offset by an increase in trade creditors and accruals.

Working capital at Power NI decreased by £9.4m (2018 – £3.3m) primarily due to a decrease in trade debtors and accrued income (primarily reflecting lower sales volumes associated with the seasonal decrease in volumes and lower customer numbers) and an increase in the ROC obligation creditor, partly offset by an increase in ROC debtor, a lower VAT creditor and a decrease in trade creditors and accruals (associated with the seasonal reduction in volumes and prices).

Working capital at PPB increased by £6.4m (2018 – £0.6m) primarily due to a decrease in trade creditors and accruals (primarily reflecting settlement timing differences), partly offset by an increase in the emissions liability, a decrease in accrued income (due to lower utilisation of the Ballylumford plant) and lower VAT debtor.

Working capital at other Viridian holding companies increased by £0.1m (2018 – £0.5m decrease).

Over-recovery of regulated entitlement

As noted previously during First Quarter 2019 the regulated businesses of Power NI and PPB over-recovered against their regulated entitlement by £1.6m (2018 – £8.5m). At 30 June 2018 the cumulative over-recovery against regulated entitlement was £12.2m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

Capital expenditure

Net capital expenditure in respect of tangible fixed assets and intangible software assets for First Quarter 2019 increased to £27.7m (2018 - £23.7m).

Net capital expenditure at Energia Group (excluding renewable assets) for First Quarter 2019 increased to £3.6m (2018 - £2.5m) primarily reflecting higher plant capital expenditure due to the outage of Huntstown 1.

Net capital expenditure at Energia renewable assets for First Quarter 2019 increased to £23.3m (2018 - £19.9m) reflecting capital expenditure in relation to the development of the bioenergy development assets and the commissioning of new wind farms.

Net capital expenditure at Power NI was £0.2m (2018 - £1.0m) primarily reflecting the billing system upgrade which became operational in May 2017.

Net capital expenditure at other Group companies for First Quarter 2019 increased to £0.6m (2018 - £0.3m).

Other cash flows

Net interest paid

Net interest paid (excluding exceptional finance costs) for First Quarter 2019 decreased to £0.9m (2018 - £1.3m).

Acquisition of subsidiary

Acquisition of subsidiary for First Quarter 2019 of £1.1m (2018 - £2.3m) reflects the acquisition of the 4.9MW Bioenergy anaerobic digestion project at the Huntstown site in North Dublin in May 2018.

Dividends

No dividends were paid in First Quarter 2019 (2018 - £nil).

Net debt

The Group's net debt increased during First Quarter 2019 by £3.4m from £655.4m at 31 March 2018 to £658.8m at 30 June 2018 primarily reflecting an increase in project finance debt (associated with the ongoing construction and development of the wind farm asset portfolio), partly offset by an increase in cash and cash equivalents.

Net debt at 30 June 2018 includes project finance net debt of £257.9m (31 March 2018 - £233.7m). Excluding project financed net debt, net debt was £400.9m (31 March 2018 - £421.7m).

Defined benefit pension liability

The pension liability in the Group's defined benefit scheme under IAS 19 was £0.2m at 30 June 2018 (31 March 2018 – £nil).

Treasury

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:

	As at 30 June 2018 £m	As at 30 June 2017 £m	Year end 31 March 2018 £m
Investments	**1.3**	1.3	1.3
Cash and cash equivalents	**131.1**	128.0	101.4
Senior secured notes €350m (2025)	**(304.4)**	-	(301.6)
Senior secured notes £225m (2024)	**(221.3)**	-	(221.1)
Senior secured notes €600m (2020)	**-**	(521.6)	-
Interest accruals – Senior secured notes	**(6.8)**	(13.2)	(1.0)
Other interest accruals	**(0.8)**	(0.9)	(0.7)
Net debt excluding project finance facilities	**(400.9)**	(406.4)	(421.7)
Project finance cash	**29.8**	17.4	24.9
Project finance bank facility (RoI)	**(106.8)**	(107.5)	(105.7)
Project finance bank facility (NI)	**(178.4)**	(112.6)	(152.5)
Project finance interest accruals	**(2.5)**	(1.8)	(0.4)
Net debt	**(658.8)**	(610.9)	(655.4)
Foreign exchange forward contracts on Senior secured notes	**-**	28.8	-
Pro-forma net debt	**(658.8)**	(582.1)	(655.4)

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 17. 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.

In June 2018 non-recourse project finance facilities of up to £24.9m were put in place in respect of the remaining 18MW of wind farm capacity.

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, 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 30 June 2018, the Group had letters of credit issued out of the Senior revolving credit facility of £113.2m resulting in undrawn committed facilities of £111.8m (31 March 2018 - £109.2m). There were no cash drawings under the Senior revolving credit facility at 30 June 2018 (31 March 2018 - £nil).

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

Treasury (continued)

At 30 June 2018, there was £29.8m (31 March 2018 - £24.9m) of restricted cash in the project financed wind farms which is subject to bi-annual distribution debt service requirements.

There have been no other significant changes in the Group's exposure to interest rate, foreign currency, commodity and credit risks. A discussion of these risks can be found in the Risk Management and Principal Risks and Uncertainties section of the consolidated financial statements for the year ended 31 March 2018.

CONSOLIDATED INCOME STATEMENT
for the three month period ended 30 June 2018

Continuing operations	Notes	Results before exceptional items and certain re-measurements First Quarter 2019 Unaudited £m	Exceptional items and certain re-measurements (note 5) First Quarter 2019 Unaudited £m	Total First Quarter 2019 Unaudited £m	Restated Results before exceptional items and certain re-measurements First Quarter 2018 Unaudited £m	Exceptional items and certain re-measurements (note 5) First Quarter 2018 Unaudited £m	Restated Total First Quarter 2018 Unaudited £m	Restated Results before exceptional items certain re-measurements Year ended 31 March 2018 Audited £m	Exceptional items and certain re-measurements (note 5) Year ended 31 March 2018 Audited £m	Restated Total Year ended 31 March 2018 Audited £m
Revenue	*2*	**392.9**	**-**	**392.9**	312.7	-	312.7	1,550.7	-	1,550.7
Operating costs	*4*	**(372.0)**	**15.7**	**(356.3)**	(283.8)	(2.6)	(286.4)	(1,460.1)	(117.9)	(1,578.0)
Operating profit/(loss)	*2*	**20.9**	**15.7**	**36.6**	28.9	(2.6)	26.3	90.6	(117.9)	(27.3)
Finance (costs)/income	*6*	**(7.8)**	**-**	**(7.8)**	(13.4)	5.3	(8.1)	(47.7)	(22.4)	(70.1)
Finance income	*6*	**0.3**	**-**	**0.3**	0.2	-	0.2	1.1	-	1.1
Net finance (cost)/income		**(7.5)**	**-**	**(7.5)**	(13.2)	5.3	(7.9)	(46.6)	(22.4)	(69.0)
Share of loss in associates		**(0.5)**	**-**	**(0.5)**	(0.3)	-	(0.3)	(0.6)	-	(0.6)
Profit before tax		**12.9**	**15.7**	**28.6**	15.4	2.7	18.1	43.4	(140.3)	(96.9)
Taxation	*7*	**(0.8)**	**(2.2)**	**(3.0)**	(1.2)	0.3	(0.9)	(4.0)	14.6	10.6
Profit/(loss) for the period		**12.1**	**13.5**	**25.6**	14.2	3.0	17.2	39.4	(125.7)	(86.3)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
for the three month period ended 30 June 2018

	First Quarter 2019 Unaudited £m	Restated First Quarter 2018 Unaudited £m	Restated Year ended 31 March 2018 Audited £m
Profit/(loss) for the period	**25.6**	17.2	(86.3)
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**(2.9)**	(6.3)	(4.7)
Net gain/(loss) on cash flow hedges	**2.3**	(3.8)	5.3
Transferred (gain)/loss from equity to income statement on cash flow hedges	**(2.1)**	0.7	4.0
Share of associates net gain on cash flow hedges	**-**	0.1	0.4
Income tax effect	**-**	1.1	(0.6)
	0.2	(1.9)	9.1
	(2.7)	(8.2)	4.4
Items that will not be reclassified to profit or loss:			
Remeasurement loss on defined benefit scheme	**(0.2)**	(0.1)	(1.1)
Income tax effect	**-**	-	0.2
	(0.2)	(0.1)	(0.9)
Other comprehensive (expense)/income for the period, net of taxation	**(2.9)**	(8.3)	3.5
Total comprehensive income/(expense) for the period	**22.7**	8.9	(82.8)

CONSOLIDATED BALANCE SHEET
as at 30 June 2018

ASSETS	Notes	30 June 2018 Unaudited £m	Restated 30 June 2017 Unaudited £m	Restated 31 March 2018 Audited £m
Non-current assets:				
Property, plant and equipment		**441.9**	511.8	415.1
Intangible assets		**581.3**	566.7	578.2
Investment in associates		**5.9**	6.1	6.7
Derivative financial instruments	15	**11.0**	24.3	5.3
Other non-current financial assets	9	**-**	0.1	-
Deferred tax assets		**26.2**	29.0	27.3
		1,066.3	1,138.0	1,032.6
Current assets:				
Inventories		**5.1**	4.4	4.9
Trade and other receivables	11	**168.7**	131.4	191.2
Derivative financial instruments	15	**28.6**	10.0	11.0
Other current financial assets	9	**3.2**	3.2	5.4
Cash and cash equivalents	12	**160.9**	145.4	126.3
		366.5	294.4	338.8
TOTAL ASSETS		**1,432.8**	1,432.4	1,371.4
LIABILITIES				
Current liabilities:				
Trade and other payables	13	**(312.2)**	(239.6)	(323.8)
Income tax payable		**(2.4)**	(2.4)	(2.3)
Financial liabilities	14	**(52.4)**	(30.0)	(40.8)
Derivative financial instruments	15	**(12.5)**	(12.4)	(6.6)
Deferred income		**-**	-	-
		(379.5)	(284.4)	(373.5)
Non-current liabilities:				
Financial liabilities	14	**(793.4)**	(746.8)	(764.2)
Derivative financial instruments	15	**(9.4)**	(12.9)	(8.3)
Net employee defined benefit liabilities		**(0.2)**	(0.2)	-
Deferred tax liabilities		**(7.5)**	(17.6)	(5.9)
Provisions		**(13.2)**	(12.4)	(13.1)
		(823.7)	(789.9)	(791.5)
TOTAL LIABILITIES		**(1,203.2)**	(1,074.3)	(1,165.0)
NET ASSETS		**229.6**	358.1	206.4
Equity				
Share capital		**-**	-	-
Share premium		**660.6**	660.6	660.6
Retained earnings		**(458.8)**	(380.4)	(484.7)
Capital contribution reserve		**101.5**	161.5	101.5
Hedge reserve		**(4.6)**	(15.8)	(4.8)
Foreign currency translation reserve		**(69.1)**	(67.8)	(66.2)
TOTAL EQUITY		**229.6**	358.1	206.4

The condensed interim consolidated financial statements were approved by the Board and authorised for issue on 7 September 2018.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the three month period ended 30 June 2018

	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 2017 (restated)	**-**	**660.6**	**(397.5)**	**161.5**	**(13.9)**	**(61.5)**	**349.2**
Profit for the period	-	-	17.2	-	-	-	17.2
Other comprehensive expense	-	-	(0.1)	-	(1.9)	(6.3)	(8.3)
Total comprehensive income/(expense)	-	-	17.1	-	(1.9)	(6.3)	8.9
At 30 June 2017 (restated)	**-**	**660.6**	**(380.4)**	**161.5**	**(15.8)**	**(67.8)**	**358.1**

	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 2017 (restated)	**-**	**660.6**	**(397.5)**	**161.5**	**(13.9)**	**(61.5)**	**349.2**
Loss for the year	-	-	(86.3)	-	-	-	(86.3)
Other comprehensive (expense)/income	-	-	(0.9)	-	9.1	(4.7)	3.5
Total comprehensive(expense)/income	-	-	(87.2)	-	9.1	(4.7)	(82.8)
Dividends paid	-	-	-	(60.0)	-	-	(60.0)
At 31 March 2018 (restated)	**-**	**660.6**	**(484.7)**	**101.5**	**(4.8)**	**(66.2)**	**206.4**
Profit for the period	-	-	25.6	-	-	-	25.6
Other comprehensive (expense)/income	-	-	(0.2)	-	0.2	(2.9)	(2.9)
Share based payment	-	-	0.5	-	-	-	0.5
Total comprehensive income/(expense)	-	-	25.9	-	0.2	(2.9)	23.2
At 30 June 2018	**-**	**660.6**	**(458.8)**	**101.5**	**(4.6)**	**(69.1)**	**229.6**

CONSOLIDATED STATEMENT OF CASH FLOWS
for the three month period ended 30 June 2018

	Notes	First Quarter 2019 Unaudited £m	Restated First Quarter 2018 Unaudited £m	Restated Year ended 31 March 2018 Audited £m
Cash generated from operations before working capital movements	16	**30.4**	37.6	125.1
Working capital adjustments:				
(Increase)/decrease in inventories		**(0.2)**	0.4	(0.1)
Decrease/(increase) in trade and other receivables		**22.5**	18.7	(41.1)
Decrease/(increase) in security deposits		**2.2**	0.5	(1.7)
(Decrease)/increase in trade and other payables		**(13.2)**	(13.3)	65.4
Effects of foreign exchange		**(0.1)**	(0.2)	1.1
		41.6	43.7	148.7
Interest received		**-**	-	0.2
Interest paid		**(0.9)**	(1.3)	(46.8)
Exceptional finance costs		**-**	-	(23.5)
		(0.9)	(1.3)	(70.1)
Income tax paid		**(0.1)**	(0.1)	(0.3)
Net cash flows from operating activities		**40.6**	42.3	78.3
Investing activities				
Purchase of property, plant and equipment		**(24.8)**	(20.4)	(62.4)
Purchase of intangible assets		**(33.3)**	(26.5)	(110.7)
Proceeds from sale of intangible assets		**26.6**	19.7	91.1
Return on other non-current financial assets		**-**	-	0.1
Disposal of subsidiary, net of cash disposed		**(0.2)**	(0.2)	(0.2)
Dividends received from associates		**0.1**	-	-
Interest received from associates		**0.5**	0.2	0.2
Acquisition of subsidiary		**(1.1)**	(2.3)	(3.1)
Net cash flows used in investing activities		**(32.2)**	(29.5)	(85.0)
Financing activities				
Proceeds from issue of borrowings		**26.9**	11.6	598.7
Repayment of borrowings		**-**	(0.7)	(547.1)
Close out of foreign exchange forward contracts		**-**	-	29.4
Dividend paid to parent undertaking		**-**	-	(60.0)
Issue costs of new long term loans		**(1.0)**	(0.7)	(11.8)
Net cash flows from financing activities		**25.9**	10.2	9.2
Net increase in cash and cash equivalents		**34.3**	23.0	2.5
Net foreign exchange difference		**0.3**	2.2	3.6
Cash and cash equivalents at period start	12	**126.3**	120.2	120.2
Cash and cash equivalents at period end	12	**160.9**	145.4	126.3

1. BASIS OF PREPARATION

The condensed interim consolidated financial statements of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The accounting policies applied by the Group in these condensed interim consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 March 2018 except for the adoption of new standards effective as of 1 April 2018.

The Group applies, for the first time, IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments that require restatement of previous financial statements. As required by IAS 34, the nature and effect of these changes are described below and further detailed in note 22.

IFRS 15 *Revenue from Contracts with Customers*

The Group adopted IFRS 15 using the full retrospective method of adoption and the standard is applicable for the Group from 1 April 2018. For the vast majority of the Group's revenue the application of IFRS 15 has no impact on its revenue recognition practices with only the following areas affected:

(a) Principal versus agent considerations

For certain variable price Power Purchase Agreements (PPAs) with renewable generators both Energia and Power NI are deemed to be acting as an agent and therefore revenue is now accounted for on a net basis for these PPAs.

There is no impact in the consolidated balance sheet as at 31 March 2018. The consolidated income statement for the year ended 31 March 2018 and the three months ended 30 June 2017 was restated resulting in decreases in both revenue and operating costs amounting to £9.4m and £2.0m respectively.

(b) Incremental contract costs

The accounting for the incremental costs of obtaining a contract within the Energia supply business has changed with these costs now being capitalised and amortised on a basis that reflects the transfer of goods or services to the customer.

The consolidated balance sheet as at 31 March 2018 was restated, resulting in recognition of contract assets amounting to £5.1m and an increase in retained earnings and foreign currency reserve amounting to £4.7m and £0.4m respectively. The consolidated income statement for the year ended 31 March 2018 was also restated, resulting in a decrease in operating costs amounting to £3.7m and an increase in amortisation of intangible assets amounting to £3.2m.

The consolidated balance sheet as at 30 June 2017 was also restated, resulting in recognition of contract assets amounting to £4.7m and an increase in retained earnings and foreign currency reserve amounting to £4.7m and £0.4m. The consolidated income statement for the three months ended 30 June 2017 was restated, resulting in a decrease in operating costs amounting to £0.9m and an increase in amortisation of intangible assets amounting to £0.8m.

(c) Other

Income in relation to the reimbursement of costs associated with the administration of the Northern Ireland Sustainable Energy Programme (NISEP) within Power NI has been netted with the corresponding operating costs.

There is no impact in the consolidated balance sheet as at 31 March 2018. The consolidated income statement for the year ended 31 March 2018 and the three months ended 30 June 2017 was restated resulting in decreases in both revenue and operating costs amounting to £1.1m and £nil respectively.

1. BASIS OF PREPARATION (continued)

IFRS 9 *Financial Instruments*

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and the Group adopted IFRS 9 on 1 April 2018 with the main impact to the Group being as follows:

(a) Impairment

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach with the main impact for the Group being in relation to trade receivables.

For Trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. There is no material impact in the consolidated balance sheet as at 31 March 2018.

(b) Hedge accounting

The Group applied hedge accounting prospectively. At the date of the initial application of 1 April 2018 all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships. Additionally adoption of IFRS 9 hedge accounting enables the Group to achieve hedge accounting for gas as a proxy to SMP prospectively from 1 April 2018. There is no impact in the consolidated balance sheet as at 31 March 2018.

2. SEGMENTAL ANALYSIS

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

- the Energia Group (excluding renewable assets) operates as a vertically integrated energy business consisting of competitive electricity and gas supply to domestic and business customers in the RoI and to business customers in Northern Ireland through Energia, its retail supply business, backed by electricity generation from its two Huntstown CCGT plants, and long term PPAs with third-party renewable generators (including wind generation assets in which the Group has an equity interest);
- Energia renewable assets comprises generation from wind generation assets and a bioenergy plant under construction;
- Power NI is the regulated electricity supplier in Northern Ireland; and
- PPB is a regulated business which administers the contracted generation capacity from the Ballylumford power station in Northern Ireland under legacy generating unit agreements which were originally established in 1992 when the Northern Ireland electricity industry was restructured.

The Group Board monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The measure of profit used by the Group Board is pro-forma EBITDA which is before exceptional items and certain remeasurements (arising from certain commodity, interest rate 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 Group also monitors revenue on a regulated entitlement basis.

(a) Revenue by segment

	First Quarter 2019 Unaudited £m	Restated First Quarter 2018 Unaudited £m	Restated Year ended 31 March 2018 Audited £m
Energia Group (excluding renewable assets)	**280.1**	207.5	1,096.9
Energia renewable assets	**7.9**	6.4	35.0
Power NI	**79.5**	69.2	334.5
PPB	**30.7**	28.7	125.6
Inter-group eliminations	**(6.9)**	(7.6)	(37.0)
Group	**391.3**	304.2	1,555.0
Adjustment for over/(under)-recovery	**1.6**	8.5	(4.3)
Total	**392.9**	312.7	1,550.7

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

2. SEGMENTAL ANALYSIS (continued)

(b) Operating Profit

	First Quarter 2019 Unaudited £m	Restated First Quarter 2018 Unaudited £m	Restated Year ended 31 March 2018 Audited £m
Segment Pro-Forma EBITDA			
Energia Group (excluding renewable assets)	**14.0**	14.8	61.4
Energia renewable assets	**5.3**	4.5	27.6
Power NI	**8.5**	8.8	35.1
PPB	**0.5**	0.9	5.9
Other	**-**	0.2	0.8
Group Pro-Forma EBITDA	**28.3**	29.2	130.8
Adjustment for over/(under)-recovery	**1.6**	8.5	(4.3)
Group EBITDA	**29.9**	37.7	126.5
Depreciation/amortisation			
Energia Group (excluding renewable assets)	**(4.6)**	(4.8)	(19.4)
Energia renewable assets	**(4.0)**	(3.5)	(14.7)
Power NI	**(0.2)**	(0.4)	(1.2)
Other	**(0.2)**	(0.1)	(0.6)
Group depreciation and amortisation	**(9.0)**	(8.8)	(35.9)
Operating profit pre exceptional items and certain remeasurements			
Energia Group (excluding renewable assets)	**9.4**	10.0	42.0
Energia renewable assets	**1.3**	1.0	12.9
Power NI	**8.3**	8.4	33.9
PPB	**0.5**	0.9	5.9
Other	**(0.2)**	0.1	0.2
Group Pro-Forma operating profit	**19.3**	20.4	94.9
Adjustment for over/(under)-recovery	**1.6**	8.5	(4.3)
Operating profit pre exceptional items and certain remeasurements	**20.9**	28.9	90.6
Exceptional items and certain remeasurements			
Energia Group (excluding renewable assets)	**11.6**	(2.5)	(119.0)
Energia renewable assets	**-**	-	0.3
Power NI	**-**	-	0.9
Other	**4.1**	(0.1)	(0.1)
Group operating profit/(loss) post-exceptional items and certain remeasurements	**36.6**	26.3	(27.3)
Finance cost	**(7.8)**	(8.1)	(70.1)
Finance income	**0.3**	0.2	1.1
	(7.5)	(7.9)	(69.0)
Share of loss in associates	**(0.5)**	(0.3)	(0.6)
Profit/(loss) on ordinary activities before tax	**28.6**	18.1	(96.9)

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

	First Quarter 2019 Unaudited £m	Restated First Quarter 2018 Unaudited £m	Restated Year ended 31 March 2018 Audited £m
Types of goods or services:			
Supply of electricity and gas	275.0	210.9	1,105.7
Electricity generation	122.8	100.2	485.1
Other	0.4	0.7	1.2
Inter-group elimination	(6.9)	(7.6)	(37.0)
Group	391.3	304.2	1,555.0
Adjustment for over/(under)-recovery	1.6	8.5	(4.3)
Total	392.9	312.7	1,550.7
Geographic information:			
UK	170.3	143.5	684.0
RoI	222.6	169.2	866.7
Total	392.9	312.7	1,550.7

4. OPERATING COSTS

	First Quarter 2019 Unaudited £m	Restated First Quarter 2018 Unaudited £m	Restated Year ended 31 March 2018 Audited £m
Operating costs are analysed as follows:			
Energy costs	341.0	257.4	1,352.5
Employee costs	7.8	6.8	28.7
Depreciation, amortisation and impairment	9.0	8.8	35.9
Other operating charges	14.2	10.8	44.1
Total pre exceptional items and certain remeasurements	372.0	283.8	1,461.2
Exceptional costs and certain remeasurements:			
Energy (credit)/costs	(15.9)	2.5	(5.4)
Depreciation, amortisation and impairment	-	-	124.2
Other operating costs/(income)	0.2	0.1	(0.9)
Total exceptional costs and certain remeasurements	(15.7)	2.6	117.9
Total operating costs	356.3	286.4	1,579.1

4. OPERATING COSTS (continued)

3.1 Depreciation, amortisation and impairment

	First Quarter 2019 Unaudited £m	Restated First Quarter 2018 Unaudited £m	Restated Year ended 31 March 2018 Audited £m
Depreciation	**7.8**	7.2	30.0
Associated release of contributions in respect of property plant & equipment	**-**	(0.1)	-
Amortisation of intangible assets	**1.2**	1.7	5.9
Total pre exceptional items	**9.0**	8.8	35.9
Impairment of property, plant and equipment	**-**	-	124.2
Total depreciation, amortisation and impairment	**9.0**	8.8	160.1

3.2 Energy costs

	First Quarter 2019 Unaudited £m	First Quarter 2018 Unaudited £m	Year ended 31 March 2018 Audited £m
Write down of inventories recognised as expense/(income):			
Write down of distillate oil stock	**-**	0.4	-

5. EXCEPTIONAL ITEMS AND CERTAIN REMEASUREMENTS

	First Quarter 2019 Unaudited £m	First Quarter 2018 Unaudited £m	Year ended 31 March 2018 Audited £m
Exceptional items in arriving at profit from continuing operations:			
Acquisition costs[1]	**(0.2)**	(0.1)	-
Impairment of property, plant and equipment	**-**	-	(124.2)
Exceptional finance costs	**-**	-	(28.3)
	(0.2)	(0.1)	(152.5)
Certain remeasurements in arriving at profit			
Net profit/(loss) on derivatives at fair value through operating costs[2]	**15.9**	(2.5)	6.3
Net profit on derivatives at fair value through finance costs[3]	**-**	5.3	5.9
	15.9	2.8	12.2
Exceptional items and certain remeasurements before taxation	**15.7**	2.7	(140.3)
Taxation on exceptional items and certain remeasurements	**(2.2)**	0.3	14.6
Exceptional items and certain remeasurements after taxation	**13.5**	3.0	125.7

[1] Exceptional acquisition costs of £0.2m (2018 - £0.1m) relate to costs associated with acquisitions whether successful or unsuccessful.

[2] Net profit on derivatives at fair value through operating costs for First Quarter 2019 of £15.9m (2018 - £2.5m loss) primarily relates to fair value movements in commodity swap contracts and foreign exchange forward contracts relating to commodity purchases.

[3] Net profit on derivatives at fair value through finance costs for First Quarter 2018 related to fair value movements in foreign exchange forward contracts in respect of the Senior secured notes.

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

	First Quarter 2019 Unaudited £m	First Quarter 2018 Unaudited £m	Year ended 31 March 2018 Audited £m
Impairment of property, plant and equipment	**-**	-	15.5
Fair valued derivatives through profit & loss	**(2.2)**	0.3	(0.9)
	(2.2)	0.3	14.6

6. FINANCE COSTS/INCOME

	Results before exceptional items and certain remeasure-ments First Quarter 2019 Unaudited £m	Exceptional items and certain remeasure-ments First Quarter 2019 Unaudited £m	Total First Quarter 2019 Unaudited £m	Results before exceptional items and certain remeasure-ments First Quarter 2018 Unaudited £m	Exceptional items and certain remeasure-ments First Quarter 2018 Unaudited £m	Total First Quarter 2018 Unaudited £m	Results before exceptional items and certain remeasure-ments Year ended 31 March 2018 Audited £m	Exceptional items and certain remeasure-ments Year ended 31 March 2018 Audited £m	Total Year ended 31 March 2018 Audited £m
Finance costs									
Interest on external bank loans and borrowings	(3.2)	-	(3.2)	(3.0)	-	(3.0)	(12.8)	-	(12.8)
Interest on Senior secured notes	(5.7)	-	(5.7)	(9.6)	-	(9.6)	(30.7)	-	(30.7)
Interest payable to parent undertaking	-	-	-	-	-	-	-	-	-
Total interest expense	(8.9)	-	(8.9)	(12.6)	-	(12.6)	(43.5)	-	(43.5)
Amortisation of financing charges	(0.5)	-	(0.5)	(0.5)	-	(0.5)	(2.1)	(4.8)	(6.9)
Unwinding of discount on decommissioning provision	(0.1)	-	(0.1)	(0.1)	-	(0.1)	(0.2)	-	(0.2)
Unwinding of discount on contingent liabilities	(0.4)	-	(0.4)	(0.4)	-	(0.4)	(1.4)	-	(1.4)
Other finance charges	-	-	-	(0.1)	-	(0.1)	(0.2)	(23.5)	(23.7)
Total other finance charges	(1.0)	-	(1.0)	(1.1)	-	(1.1)	(3.9)	(28.3)	(32.2)
Net exchange gain/(loss) on net foreign currency borrowings	1.6	-	1.6	0.2	-	0.2	(1.8)	-	(1.8)
Net gain on financial instruments at fair value through profit or loss	-	-	-	-	5.3	5.3	-	5.9	5.9
Less interest capitalised in qualifying asset	0.5	-	0.5	0.1	-	0.1	1.5	-	1.5
Total finance costs	(7.8)	-	(7.8)	(13.4)	5.3	(8.1)	(47.7)	22.4	(70.1)
Finance income									
Interest income on loan to an associate	0.2	-	0.2	0.2	-	0.2	1.0	-	1.0
Interest income on bank deposits	0.1	-	0.1	-	-	-	0.1	-	0.1
Total finance income	0.3	-	0.3	0.2	-	0.2	1.1	-	1.1

The average capitalisation rate applied in determining the amount of borrowing costs to be capitalised in First Quarter 2019 was 3.5% (First Quarter 2018 – 5.0%).

7. INCOME TAX

The major components of the tax (charge)/credit for the periods ended 30 June 2018, 30 June 2017 and 31 March 2018 are:

	Results before exceptional items and certain remeasure-ments First Quarter 2019 Unaudited £m	Exceptional items and certain remeasure-ments First Quarter 2019 Unaudited £m	Total First Quarter 2019 Unaudited £m	Results before exceptional items and certain remeasure-ments First Quarter 2018 Unaudited £m	Exceptional items and certain remeasure-ments First Quarter 2018 Unaudited £m	Total First Quarter 2018 Unaudited £m	Results before exceptional items and certain remeasure-ments Year ended 31 March 2018 Audited £m	Exceptional items and certain remeasure-ments Year ended 31 March 2018 Audited £m	Total Year ended 31 March 2018 Audited £m
Current tax:									
Current tax credit/(charge)	2.0	(2.2)	(0.2)	(1.1)	0.3	(0.8)	0.1	(0.9)	(0.8)
Total current tax credit/(charge)	2.0	(2.2)	(0.2)	(1.1)	0.3	(0.8)	0.1	(0.9)	(0.8)
Deferred tax:									
Adjustments in respect of current year	(2.8)	-	(2.8)	(0.1)	-	(0.1)	(3.7)	15.5	11.8
Adjustments in respect of prior years	-	-	-	-	-	-	(0.4)	-	(0.4)
Total deferred tax	(2.8)	-	(2.8)	(0.1)	-	(0.1)	(4.1)	15.5	11.4
Total taxation (charge)/credit	(0.8)	(2.2)	(3.0)	(1.2)	0.3	(0.9)	(4.0)	14.6	10.6

8. CAPITAL EXPENDITURE

	Capital additions to property, plant and equipment		
	First Quarter 2019 Unaudited £m	First Quarter 2018 Unaudited £m	Year ended 31 March 2018 Audited £m
Energia Group (excluding renewable assets)	**3.5**	0.1	0.6
Energia renewable assets	**28.8**	13.3	60.7
Other	**-**	0.3	0.6
Total	**32.3**	13.7	61.9

	Capital additions to intangible assets		
	First Quarter 2019 Unaudited £m	Restated First Quarter 2018 Unaudited £m	Restated Year ended 31 March 2018 Audited £m
Energia Group (excluding renewable assets)	**9.9**	12.5	57.3
Power NI	**17.8**	12.9	60.1
Other	**0.4**	-	1.1
Total	**28.1**	25.4	118.5

9. OTHER FINANCIAL ASSETS

	30 June 2018 Unaudited £m	30 June 2017 Unaudited £m	31 March 2018 Audited £m
Loans and receivables:			
Security deposits	**1.9**	1.9	4.1
Short term managed funds	**1.3**	1.3	1.3
Total loans and receivables	**3.2**	3.2	5.4
Financial instruments held to maturity:			
Viridian Growth Fund	**-**	0.1	-
Total other financial assets	**3.2**	3.3	5.4
Total non-current	**-**	0.1	-
Total current	**3.2**	3.2	5.4

10. BUSINESS COMBINATIONS AND DISPOSALS

Acquisitions in First Quarter 2019
In May 2018, the Group acquired 100% of the shares of CEHL (Dublin) Bioenergy Limited together with its subsidiary Huntstown Bioenergy Limited (Huntstown AD), an anaerobic digestion company in North Dublin. The total consideration for the acquisition was £0.5m cash and £2.3m discounted contingent consideration (£2.6m undiscounted).

The acquisitions contribute towards the Group's aim of growing its renewable generation business in Ireland.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of Huntstown AD acquired in First Quarter 2019 were:

	Fair value recognised on acquisition in Q1 2019 £m
Assets	
Property, plant and equipment	0.7
Intangible assets	0.1
Other receivables	0.2
	1.0
Liabilities	
Other payables	(0.8)
Other loans and borrowings	-
Total identifiable net assets at fair value	0.2
Intangible assets (development assets) arising on acquisition	2.6
Purchase consideration transferred	2.8
Purchase consideration made up of:	
Cash	0.5
Contingent consideration	2.3
	2.8
Analysis of cash flows on acquisition:	
Cash	0.5
Discharge of liabilities	0.5
Acquisition costs	0.1
Net cash flows on acquisition	1.1

Transaction costs of £0.2m were expensed in First Quarter 2019.

Huntstown AD is not operational and is currently under development.

Contingent consideration
On the acquisition of Huntstown AD, contingent consideration of £2.3m was recognised and reflects the maximum amount payable, with the minimum amount payable being £nil. Contingent consideration is expected to be paid in 2019/20 when construction and commissioning of the plant is achieved.

11. TRADE AND OTHER RECEIVABLES

	30 June 2018 Unaudited £m	30 June 2017 Unaudited £m	31 March 2018 Audited £m
Trade receivables (including unbilled consumption)	**140.3**	108.7	164.9
Prepayments and accrued income	**20.5**	20.8	22.7
Other receivables	**7.9**	1.9	3.6
	168.7	131.4	191.2

12. CASH AND CASH EQUIVALENTS

	30 June 2018 Unaudited £m	30 June 2017 Unaudited £m	31 March 2018 Audited £m
Cash at bank and on hand	**55.5**	36.4	38.1
Short−term bank deposits	**105.4**	109.0	88.2
	160.9	145.4	126.3

13. TRADE AND OTHER PAYABLES

	30 June 2018 Unaudited £m	30 June 2017 Unaudited £m	31 March 2018 Audited £m
Trade creditors	**71.8**	50.3	78.5
Other creditors	**46.5**	35.6	44.5
Amounts owed to associate	**1.8**	1.6	2.4
Payments received on account	**22.4**	24.1	23.5
Tax and social security	**11.9**	7.9	11.7
Accruals	**157.8**	120.1	163.2
	312.2	239.6	323.8

14. FINANCIAL LIABILITIES

	30 June 2018 Unaudited £m	30 June 2017 Unaudited £m	31 March 2018 Audited £m
Current financial liabilities:			
Senior secured notes interest payable	**6.8**	13.2	1.0
Other interest payable	**0.8**	0.9	0.7
Project financed bank facilities (NI)	**9.0**	3.9	6.2
Project financed bank facilities (RoI)	**10.9**	10.2	10.5
Project financed interest accruals	**2.5**	1.8	0.4
Contingent consideration	**18.8**	-	18.5
Other payables	**3.6**	-	3.5
Total current financial liabilities	**52.4**	30.0	40.8
Non-current financial liabilities:			
Senior secured notes €350m (2025)	**304.4**	-	301.6
Senior secured notes £225m (2024)	**221.3**	-	221.1
Senior secured notes (2020)	**-**	521.6	-
Project financed bank facilities (NI)	**169.4**	108.7	146.3
Project financed bank facilities (RoI)	**95.9**	97.3	95.2
Contingent consideration	**2.4**	15.9	-
Other payables	**-**	3.3	-
Total non−current financial liabilities	**793.4**	746.8	764.2
Total current and non-current financial liabilities	**845.8**	776.8	805.0

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 30 June 2018, the Group had letters of credit issued out of the Senior revolving credit facility of £113.2m resulting in undrawn committed facilities of £111.8m (31 March 2018 - £109.2m). There were no cash drawings under the Senior revolving credit facility at 30 June 2018 (31 March 2018 - £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 2034 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 3.80% (2017- 4.20%) on project financed bank facilities NI and 2.79% (2017 – 2.79%) on the project financed bank facilities RoI.

14. FINANCIAL LIABILITIES (continued)

Contingent consideration

On acquisition of Cornavarrow, Slieveglass and Teiges, contingent consideration of £14.7m was recognised reflecting the fair value of the maximum amount payable of £17.0m, with the minimum payable being £nil. Contingent consideration relates to the accreditation for Northern Ireland Renewable Obligation Certificates (NIROCs) and earnouts relating to the capital expenditure incurred during the course of the construction of the wind farms and are anticipated to be paid in 2018/19. On acquisition of Dargan, contingent consideration of £2.5m was recognised reflecting the maximum amount payable, with the minimum amount payable being £nil. Contingent consideration relates to the accreditation for NIROCs, together with the execution of a lease option and the grant of planning and are anticipated to be paid in 2018/19. On acquisition of Huntstown AD contingent consideration of £2.3m was recognised and reflects the maximum amount payable, with the minimum amount payable being £nil. Contingent consideration is expected to be paid in 2019/20 when construction and commissioning of the plant is achieved.

Other payables

On acquisition of Cornavarrow, a liability of £2.6m was recognised reflecting the fair value of the maximum amount payable of £3.0m, with the minimum payable being £nil and on acquisition of Teiges, a liability of £0.6m was recognised reflecting the fair value of the maximum amount payable of £0.7m, with the minimum payable being £nil. The liabilities relates to pre-acquisition services and are contingent on the accreditation for NIROCs and are anticipated to be paid in 2018/19.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derivative financial assets

Derivatives at fair value through other comprehensive income	**30 June 2018 Unaudited £m**	30 June 2017 Unaudited £m	31 March 2018 Audited £m
Cash flow hedges:			
Foreign exchange forward contracts	**0.7**	0.5	1.4
Commodity swap contracts	**9.5**	0.4	3.1
Interest rate swap contracts	**2.6**	2.6	2.5
Total derivatives at fair value through other comprehensive income	**12.8**	3.5	7.0
Derivatives at fair value through profit and loss			
Derivatives not designated as hedges:			
Foreign exchange forward contracts	**0.6**	28.9	0.1
Commodity swap contracts	**26.2**	1.9	9.2
Total derivatives at fair value through profit and loss	**26.8**	30.8	9.3
Total derivative financial assets	**39.6**	34.3	16.3
Total non-current	**11.0**	24.3	5.3
Total current	**28.6**	10.0	11.0

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Derivative financial liabilities

Derivatives at fair value through other comprehensive income	**30 June 2018 Unaudited £m**	30 June 2017 Unaudited £m	31 March 2018 Audited £m
Cash flow hedges:			
Foreign exchange forward contracts	**(1.3)**	(5.7)	(1.5)
Commodity swap contracts	**(0.7)**	(2.6)	(0.7)
Interest rate swap contracts	**(11.1)**	(12.7)	(9.6)
Total derivatives at fair value through other comprehensive income	**(13.1)**	(21.0)	(11.8)
Derivatives at fair value through profit and loss			
Derivatives not designated as hedges:			
Foreign exchange forward contracts	**(0.7)**	(0.5)	(0.4)
Commodity swap contracts	**(8.1)**	(3.8)	(2.7)
Total derivatives at fair value through profit and loss	**(8.8)**	(4.3)	(3.1)
Total derivative financial liabilities	**(21.9)**	(25.3)	(14.9)
Total non-current	**(9.4)**	(12.9)	(8.3)
Total current	**(12.5)**	(12.4)	(6.6)

FAIR VALUES

As indicated in note 3(d) in the consolidated financial statements for the year ended 31 March 2018, 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:

	30 June 2018		**30 June 2017**		**31 March 2018**	
	Carrying value £m	**Fair value £m**	**Carrying value £m**	**Fair value £m**	**Carrying value £m**	**Fair value £m**
Level 1						
Non-current liabilities						
Senior secured notes (2024 and 2025)	**(525.7)**	**(494.6)**	-	-	(522.7)	(500.6)
Senior secured notes (2020)	**-**	**-**	(521.6)	(550.5)	-	-
Level 2						
Non-current assets						
Viridian Growth Fund	**-**	**-**	0.1	0.1	-	-
Non-current liabilities						
Project financed bank facilities (NI)	**(169.4)**	**(169.4)**	(108.7)	(108.7)	(146.3)	(146.3)
Project financed bank facilities (ROI)	**(95.9)**	**(95.9)**	(97.3)	(97.3)	(95.2)	(95.2)
Level 3						
Non-current liabilities						
Financial liabilities (contingent consideration)	**(2.4)**	**(2.4)**	(15.9)	(15.9)	-	-
Other payables	**-**	**-**	(3.3)	(3.3)	-	-
Current liabilities						
Financial liabilities (contingent consideration)	**(18.8)**	**(18.8)**	-	-	(18.5)	(18.5)
Other payables	**(3.6)**	**(3.6)**	-	-	(3.5)	(3.5)

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

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. There have been no transfers between 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 by the Director to fall within the level 3 fair value hierarchy and is measured using the present value of the pay-out associated with the accreditation for NIROCs and earnouts set out in the relevant purchase agreement. The carrying value of £21.2m is estimated to approximate to its fair value determined by using discounted cash flows based on the Company's borrowing rate.

16. NOTES TO GROUP CASH FLOW STATEMENT

	First Quarter 2019 Unaudited £m	Restated First Quarter 2018 Unaudited £m	Restated Year ended 31 March 2018 Audited £m
Operating activities			
Profit/(loss) before tax from continuing operations	**28.6**	18.1	(96.9)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	**7.8**	7.2	154.2
Amortisation and impairment of intangible assets	**1.2**	1.7	5.9
Amortisation of contributions in respect of property, plant and equipment	**-**	(0.1)	-
Derivatives at fair value through income statement	**(15.9)**	(2.8)	(12.2)
Net finance costs	**7.5**	13.2	46.6
Defined benefit charge less contributions paid	**-**	-	(1.1)
Share of loss in associates	**0.5**	0.3	0.6
Acquisition costs	**0.2**	-	(0.3)
Exceptional finance costs	**-**	-	28.3
Share based payment	**0.5**	-	-
Cash generated from operations before working capital movements	**30.4**	37.6	125.1

17. 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 2017	**120.2**	**1.4**	**(17.6)**	**(701.2)**	**(597.2)**
Net increase/(decrease) in cash and cash equivalents	23.0	(0.1)	-	-	22.9
Proceeds from issue of borrowings	-	-	-	(11.6)	(11.6)
Repayment of borrowings	-	-	0.7	-	0.7
Issue costs on new long term loans	-	-	-	0.7	0.7
Increase in interest accruals	-	-	(11.9)	-	(11.9)
Amortisation	-	-	(0.1)	(0.4)	(0.5)
Reclassifications	-	-	(0.1)	0.1	-
Translation difference	2.2	-	(1.0)	(15.2)	(14.0)
At 30 June 2017	145.4	1.3	(30.0)	(727.6)	(610.9)
At 1 April 2017	**120.2**	**1.4**	**(17.6)**	**(701.2)**	**(597.2)**
Net increase/(decrease) in cash and cash equivalents	2.5	(0.1)	-	-	2.4
Proceeds from issue of borrowings	-	-	-	(598.7)	(598.7)
Repayment of borrowings	-	-	14.0	533.1	547.1
Issue costs on new long term loans	-	-	-	11.8	11.8
Decrease in interest accruals	-	-	1.9	-	1.9
Amortisation	-	-	(0.6)	(6.3)	(6.9)
Reclassifications	-	-	(16.2)	16.2	-
Translation difference	3.6	-	(0.3)	(19.1)	(15.8)
At 31 March 2018	**126.3**	**1.3**	**(18.8)**	**(764.2)**	**(655.4)**
Net increase in cash and cash equivalents	34.3	-	-	-	34.3
Proceeds from issue of borrowings	-	-	(2.6)	(24.3)	(26.9)
Issue costs on new long term loans	-	-	-	1.0	1.0
Increase in interest accruals	-	-	(8.0)	-	(8.0)
Amortisation	-	-	(0.2)	(0.3)	(0.5)
Reclassifications	-	-	(0.3)	0.3	-
Translation difference	0.3	-	(0.1)	(3.5)	(3.3)
At 30 June 2018	**160.9**	**1.3**	**(30.0)**	**(791.0)**	**(658.8)**

18. CAPITAL COMMITMENTS

At 30 June 2018 the Group had contracted future capital expenditure in respect of tangible fixed assets of £7.7m (31 March 2018 - £32.2m).

19. DISTRIBUTIONS MADE AND PROPOSED

No dividends have been paid or proposed for the First Quarter 2019 (2018 - £nil).

20. RELATED PARTY TRANSACTIONS

The nature and type of related party transactions for the First Quarter 2019 do not differ significantly from those in the consolidated financial statements for the year ended 31 March 2018.

21. SEASONALITY OF OPERATIONS

Certain activities of the Group are affected by weather and temperature conditions and seasonal market price fluctuations. As a result of this, the amounts reported for the interim period may not be indicative of the amounts that will be reported for the full year due to seasonal fluctuations in customer demand for gas and electricity, the impact of weather on demand, renewable generation output and commodity prices, market changes in commodity prices and changes in retail tariffs. In retail supply, notable seasonal effects include the impact on customer demand of warmer temperatures in the first half of the financial year. In wholesale generation, there is the impact of lower customer demand on commodity prices, the weather impact on renewable generation and other seasonal effects. The impact of temperature on customer demand for gas is more volatile than the equivalent demand for electricity.

22. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

Analysis of IFRS adjustments to the Group Balance Sheet at 31 March 2017

ASSETS	31 March 2017 Audited £m	IFRS adjustments £m	Restated 31 March 2017 Audited £m
Non-current assets:			
Property, plant and equipment	497.9	-	497.9
Intangible assets	552.6	4.5	557.1
Investment in associates	6.2	-	6.2
Derivative financial instruments	20.0	-	20.0
Other non-current financial assets	0.1	-	0.1
Deferred tax assets	27.3	-	27.3
	1,104.1	4.5	1,108.6
Current assets:			
Inventories	4.8	-	4.8
Trade and other receivables	150.1	-	150.1
Derivative financial instruments	10.1	-	10.1
Other current financial assets	3.8	-	3.8
Cash and cash equivalents	120.2	-	120.2
	289.0	-	289.0
TOTAL ASSETS	1,393.1	4.5	1,397.6
LIABILITIES			
Current liabilities:			
Trade and other payables	(262.2)	-	(262.2)
Income tax payable	(1.7)	-	(1.7)
Financial liabilities	(17.6)	-	(17.6)
Derivative financial instruments	(9.6)	-	(9.6)
	(291.1)	-	(291.1)
Non-current liabilities:			
Financial liabilities	(717.7)	-	(717.7)
Derivative financial instruments	(11.4)	-	(11.4)
Net employee defined benefit liabilities	-	-	-
Deferred tax liabilities	(16.8)	-	(16.8)
Provisions	(11.4)	-	(11.4)
	(757.3)	-	(757.3)
TOTAL LIABILITIES	(1,048.4)	-	(1,048.4)
NET ASSETS	344.7	4.5	349.2
Equity			
Share capital	-	-	-
Share premium	660.6	-	660.6
Retained earnings	(401.7)	4.2	(397.5)
Capital contribution reserve	161.5	-	161.5
Hedge reserve	(13.9)	-	(13.9)
Foreign currency translation reserve	(61.8)	0.3	(61.5)
TOTAL EQUITY	344.7	4.5	349.2

22. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

Analysis of IFRS adjustments to the Group Balance Sheet at 30 June 2017

ASSETS	30 June 2017 Unaudited £m	IFRS adjustments £m	Restated 30 June 2017 Unaudited £m
Non-current assets:			
Property, plant and equipment	511.8	-	511.8
Intangible assets	562.0	4.7	566.7
Investment in associates	6.1	-	6.1
Derivative financial instruments	24.3	-	24.3
Other non-current financial assets	0.1	-	0.1
Deferred tax assets	29.0	-	29.0
	1,133.3	4.7	1,138.0
Current assets:			
Inventories	4.4	-	4.4
Trade and other receivables	131.4	-	131.4
Derivative financial instruments	10.0	-	10.0
Other current financial assets	3.2	-	3.2
Cash and cash equivalents	145.4	-	145.4
	294.4	-	294.4
TOTAL ASSETS	1,427.7	4.7	1,432.4
LIABILITIES			
Current liabilities:			
Trade and other payables	(239.6)	-	(239.6)
Income tax payable	(2.4)	-	(2.4)
Financial liabilities	(30.0)	-	(30.0)
Derivative financial instruments	(12.4)	-	(12.4)
Deferred income	-	-	-
	(284.4)	-	(284.4)
Non-current liabilities:			
Financial liabilities	(746.8)	-	(746.8)
Derivative financial instruments	(12.9)	-	(12.9)
Net employee defined benefit liabilities	(0.2)	-	(0.2)
Deferred tax liabilities	(17.6)	-	(17.6)
Provisions	(12.4)	-	(12.4)
	(789.9)	-	(789.9)
TOTAL LIABILITIES	(1,074.3)	-	(1,074.3)
NET ASSETS	353.4	4.7	358.1
Equity			
Share capital	-	-	-
Share premium	660.6	-	660.6
Retained earnings	(384.7)	4.3	(380.4)
Capital contribution reserve	161.5	-	161.5
Hedge reserve	(15.8)	-	(15.8)
Foreign currency translation reserve	(68.2)	0.4	(67.8)
TOTAL EQUITY	353.4	4.7	358.1

22. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

Analysis of IFRS adjustments to the Group Balance Sheet at 31 March 2018

ASSETS	31 March 2018 Audited £m	IFRS adjustments £m	Restated 31 March 2018 Audited £m
Non-current assets:			
Property, plant and equipment	415.1	-	415.1
Intangible assets	573.1	5.1	578.2
Investment in associates	6.7	-	6.7
Derivative financial instruments	5.3	-	5.3
Other non-current financial assets	-	-	-
Deferred tax assets	27.3	-	27.3
	1,027.5	5.1	1,032.6
Current assets:			
Inventories	4.9	-	4.9
Trade and other receivables	191.2	-	191.2
Derivative financial instruments	11.0	-	11.0
Other current financial assets	5.4	-	5.4
Cash and cash equivalents	126.3	-	126.3
	338.8	-	338.8
TOTAL ASSETS	1,366.3	5.1	1,371.4
LIABILITIES			
Current liabilities:			
Trade and other payables	(323.8)	-	(323.8)
Income tax payable	(2.3)	-	(2.3)
Financial liabilities	(40.8)	-	(40.8)
Derivative financial instruments	(6.6)	-	(6.6)
Deferred income	-	-	-
	(373.5)	-	(373.5)
Non-current liabilities:			
Financial liabilities	(764.2)	-	(764.2)
Derivative financial instruments	(8.3)	-	(8.3)
Net employee defined benefit liabilities	-	-	-
Deferred tax liabilities	(5.9)	-	(5.9)
Provisions	(13.1)	-	(13.1)
	(791.5)	-	(791.5)
TOTAL LIABILITIES	(1,165.0)	-	(1,165.0)
NET ASSETS	201.3	5.1	206.4
Equity			
Share capital	-	-	-
Share premium	660.6	-	660.6
Retained earnings	(489.4)	4.7	(484.7)
Capital contribution reserve	101.5	-	101.5
Hedge reserve	(4.8)	-	(4.8)
Foreign currency translation reserve	(66.6)	0.4	(66.2)
TOTAL EQUITY	201.3	5.1	206.4

22. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

Group reconciliation of Income Statement for the period ended 30 June 2017

Continuing operations	Total First Quarter 2018 Unaudited £m	IFRS adjustments £m	Restated Total First Quarter 2018 Unaudited £m
Revenue	314.7	(2.0)	312.7
Operating costs	(288.5)	2.1	(286.4)
Operating profit	26.2	0.1	26.3
Finance costs	(8.1)	-	(8.1)
Finance income	0.2	-	0.2
Net finance cost	(7.9)	-	(7.9)
Share of loss in associates	(0.3)	-	(0.3)
Profit before tax	18.0	0.1	18.1
Taxation	(0.9)	-	(0.9)
Profit for the period	17.1	0.1	17.2
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(6.4)	0.1	(6.3)
Net loss on cash flow hedges	(3.8)	-	(3.8)
Transferred loss from equity to income statement on cash flow hedges	0.7	-	0.7
Share of associates net gain on cash flow hedges	0.1	-	0.1
Income tax effect	1.1	-	1.1
	(1.9)	-	(1.9)
	(8.3)	0.1	(8.2)
Items that will not be reclassified to profit or loss:			
Remeasurement loss on defined benefit scheme	(0.1)	-	(0.1)
Income tax effect	-	-	-
	(0.1)	-	(0.1)
Other comprehensive expense for the period, net of taxation	(8.4)	0.1	(8.3)
Total comprehensive income for the period	8.7	0.2	8.9

22. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

Group reconciliation of Income Statement for the year ended 31 March 2018

Continuing operations	Total 2018 Audited £m	IFRS adjustments £m	Restated Total 2018 Audited £m
Revenue	1,561.2	(10.5)	1,550.7
Operating costs	(1,589.0)	11.0	(1,578.0)
Operating loss	(27.8)	0.5	(27.3)
Finance costs	(70.1)	-	(70.1)
Finance income	1.1	-	1.1
Net finance cost	(69.0)	-	(69.0)
Share of loss in associates	(0.6)	-	(0.6)
Loss before tax	(97.4)	0.5	(96.9)
Taxation	10.6	-	10.6
Loss for the period	(86.8)	0.5	(86.3)
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(4.8)	0.1	(4.7)
Net gain on cash flow hedges	5.3	-	5.3
Transferred loss from equity to income statement on cash flow hedges	4.0	-	4.0
Share of associates net gain on cash flow hedges	0.4	-	0.4
Income tax effect	(0.6)	-	(0.6)
	9.1	-	9.1
	4.3	0.1	4.4
Items that will not be reclassified to profit or loss:			
Remeasurement loss on defined benefit scheme	(1.1)	-	(1.1)
Income tax effect	0.2	-	0.2
	(0.9)	-	(0.9)
Other comprehensive income for the period, net of taxation	3.4	0.1	3.5
Total comprehensive expense for the period	(83.4)	0.6	(82.8)