

Spark Group Holdings Limited **(formerly known as Spark BidCo Limited)**

**Annual Report and Financial Statements for the period
from inception on 25 April 2016 to 30 June 2017**



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Management and Professional Advisors

Registered Office:

Spark Group Holdings Limited
Warwick House
25-27 Buckingham Palace Road
London
SW1W 0PP

Board of Directors (the “Directors”):

James Paget
Martim Caldeira
Chris Gauld
Hamish Osborn
Kevin Lyon

Company Secretary:

Debbie Harding

Company registered number:

10145862

Independent Auditor:

Ernst & Young LLP
G1
5 George Square
Glasgow
G2 1DY

Bankers:

National Westminster Bank
1 Princes Street
London
EC2R 8BP

Lawyers

Latham & Watkins
99 Bishopsgate
London
EC2m 3XF

Strategic Report

For the Period from inception on 25 April 2016 to 30 June 2017

The Directors present the strategic report for the period from inception on 25 April 2016 to 30 June 2017.

Review of the business

The principal activity of the Company is that of an investment holding for Spark Energy Limited and its subsidiaries (the Spark Group).

In August 2016 the Executive Directors of Spark Energy Limited carried out a management buy out of the Spark Group. The transaction resulted in Spark Energy Limited being acquired by Spark Group Holdings Limited and as a result it is now a wholly owned subsidiary, and the only group in which the results of Spark Energy Limited are consolidated is that of 111 Group Holdings Limited. Spark Energy Limited reports into Spark Group Holdings Limited as the immediate parent entity.

These financial statements reflect the results and financial position of the Company to 30 June 2017. The Company turnover is derived from management charges and administrative expenses incurred in providing services to its subsidiaries.

Future developments

The Company will continue to be the investment holding for the Spark Group and will continue to provide administrative services to its subsidiaries.

Principal risks and uncertainties

The principal risks and uncertainties of the Company reflects those affecting the Spark Group and the industry in which it operates.

For the reasons detailed in note 3a, the Directors are satisfied that it remains appropriate to prepare the accounts on a going concern basis.

By order of the board



Mrs D M Harding
Secretary

9 April 2018

Directors' Report

The Directors present their report and the audited financial statements of Spark Group Holdings Limited ("the Company") for the period ended 30 June 2017.

Business Review and Principal Activity

The principal activity of the Company is an investment holding company.

The Company was incorporated as a private limited company as Spark Bidco Limited and on 13 November 2017 changed its name to Spark Group Holdings Limited.

The Company was registered on 25 April 2016.

The Company has reported a loss of £2,009,746 for the period ended 30 June 2017, principally as a result of the interest due on loan notes that funded the acquisition of Spark Energy Limited.

Designated Directors

The Directors who served during the period, and up to the date of signing the financial statements, are as follows:

James Paget (appointed 30 August 2016)
Martim Caldeira (appointed on 30 August 2016)
Chris Gauld (appointed 28 April 2016)
Hamish Osborn (appointed 28 April 2016)
Kevin Lyon (appointed 23 February 2018)

Company Secretary

Debbie Harding (appointed 28 April 2016)

Results and Dividends

The loss for the period was £2,009,746. No dividends were declared during the period.

The net assets of the Company as at 30 June 2017 were £19,447,505.

Going Concern

The Directors are satisfied at the time of signing the financial statements that the Company has adequate resources and the intention to operate for the foreseeable future. For this reason, the Directors continue to adopt a going concern basis in preparing the financial statements.

Statement of Directors' Responsibilities

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 period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including Financial Reporting Standard 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102)). 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.

Directors' Report (continued)

Statement of Directors' Responsibilities (continued)

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

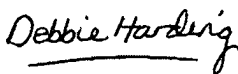
Disclosure of information to auditors

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware;
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information; and
- during the period, the Company acquired a direct investment in the Spark Energy Group.

Independent auditors

The auditors, Ernst & Young LLP, have accepted office and the resolution concerning their appointment was prepared at a meeting of the Directors.

On behalf of the Board



Mrs D M Harding
Secretary

9 April 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPARK GROUP HOLDINGS LIMITED

We have audited the financial statements of Spark Group Holdings Limited for the period ended 30 June 2017 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPARK GROUP HOLDINGS LIMITED
(CONTINUED)**

- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

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

Ernst & Young LLP

*Annie Graham (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow
9 April 2018*

Statement of Comprehensive Income

		From inception on 25 April 2016 to 30 June 2017
	Note	£
Revenue		50,000
Operating expenses	4	(79,244)
Operating loss		(29,244)
Interest payable and similar charges	5	(1,980,502)
Loss before tax on continuing activities		(2,009,746)
Tax on continuing activities		-
Loss after tax and interest on continuing activities		(2,009,746)

All results shown are from continuing operations.

There were no items of other comprehensive income in the period.

The notes on page 10 to page 18 form an integral part of the financial statements.


Statement of Financial Position

	Notes	As at 30 June 2017 £
Fixed assets:		
Tangible fixed assets	6	6,705
Investments in subsidiaries	7	47,187,420
Total fixed assets		47,194,125
Current assets:		
Debtors	8	84,261
Cash and cash equivalents		90,037
Total current assets		174,298
Creditors:		
Amounts falling due within one year	9	(33,110)
Amounts falling due in more than one year	9	(27,887,808)
Total creditors		(27,920,918)
Net current assets		141,188
Net assets		19,447,505
Shareholders' equity:		
Share capital (21,457,151 shares issued and outstanding at £0.01 nominal value)	10	214,572
Share premium	10	21,242,679
Income and capital account		(2,009,746)
Shareholders' equity		19,447,505

These financial statements have been prepared in accordance with the Companies Act 2006.

21,457,151 ordinary shares were issued at a nominal value of £0.01. These are all held by 111 Group Holdings Limited. There are no restrictions related to these shares.

Approved by the Board and authorised for issue on 9 April 2018 and signed on its behalf by



Hamish Osborn
Director
9 April 2018

Company registered number: 10145862

The notes on page 10 to page 18 form an integral part of the financial statements.

Statement of Changes in Equity

	Called up share capital and share premium	Accumulated losses	Total
	£	£	£
Shareholders' equity as at 25 April 2016	-	-	-
Share capital called during the period (21,457,151 shares issued and outstanding at £0.01 nominal value)	214,572	-	214,572
Share premium called during the period	21,242,679	-	21,242,679
Net loss for the period	-	(2,009,746)	(2,009,746)
Shareholders' equity as at 30 June 2017	21,457,251	(2,009,746)	19,447,505

The notes on page 10 to page 18 form an integral part of the financial statements.

Notes to the Financial Statements

1 General information

Spark Group Holdings Limited (the "Company") was incorporated with limited liability in the UK under the Companies Act 2006, on 25 April 2016 with registered number 10145862. The principal business of the Company is that of investment holding.

2 Statement of compliance

This set of financial statements, for the period since inception, being 25 April 2016, to 30 June 2017 have been prepared in compliance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), Companies Act 2006 ("the Act") Regulations 2008, and the Statement of Recommended Practice (SORP).

3 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements. No comparative figures were presented as this is the Company's first period of operation.

a) Basis of preparation

The financial statements have been prepared on a going concern basis. The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. The Directors do not consider there to be any key accounting estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

The Directors have applied the exemption available under Section 400 of the Companies Act 2006 not to prepare consolidated financial statements as the results of the group are included in the consolidated financial statements of 111 Group Holdings Limited.

b) Foreign currency

The Company's functional and presentational currency is Pound Sterling ("GBP", "£"). Transactions denominated in foreign currencies are translated into GBP at the exchange rate ruling when the transaction was entered. Monetary assets and liabilities denominated in foreign currencies are translated into GBP at the exchange rates ruling at the reporting date.

c) Revenue

Revenue represents management income and is recognised on delivery of services to other group companies.

d) Expenditure

Expenditure incurred in establishing the Company is fully recognised in the Statement of Comprehensive Income in the period in which it is incurred.

Notes to the Financial Statements (continued)

3 Significant accounting policies (continued)

e) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets.

f) Tangible fixed assets

All fixed assets are initially recorded at cost. Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated in order to write down the cost, less its estimated residual value of an asset over the useful economic life of that asset at 33% per annum, straight line. A reassessment of the useful economic life of each asset will be made at each year end.

g) Financial instruments

Financial assets

Basic financial assets, including debtors and cash at bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. At the end of each reporting period, financial assets are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Notes to the Financial Statements (continued)

3 Significant accounting policies (continued)

g) Financial instruments (continued)

Financial assets (continued)

Notwithstanding the bases of valuation stated above, the eventual realisation proceeds will inevitably differ from the valuation and those differences could be significant.

Any realised gains and losses, unrealised gains and losses and impairments on investments are recorded in the Statement of Comprehensive Income.

Distributions from portfolio investments are allocated between income and realised capital gains on the basis of the nature of the underlying transactions generating the distribution.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans payable, are initially recognised at transaction price and subsequently measured at amortised cost. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

h) Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The interests are assessed for impairment at each reporting date and any impairment losses or reversal of impairment losses are recognised immediately in profit or loss.

i) Loan notes

Loan notes which are basic financial instruments are initially recorded at cost.

Notes to the Financial Statements (continued)

4 Expenditure

	From inception on 25 April 2016 30 June 2017
	£
Audit fees	15,000
Professional fees	10,141
Travel and entertainment	4,185
Depreciation expense	2,144
Administration fees	609
Other expense	47,165
Total	79,244

5 Interest payable and similar charges

	From inception on 25 April 2016 30 June 2017
	£
Interest expense	1,980,315
Bank fees	187
Total	1,980,502

6 Tangible fixed assets

	Furniture, fixtures and fittings
	£
Cost	
At 25 April 2016	-
Additions	8,849
At 30 June 2017	8,849
Accumulated depreciation	
At 25 April 2016	-
Charged for the period	2,144
At 30 June 2017	2,144
Net book value	
At 30 June 2017	6,705
At 25 April 2016	-

Notes to the Financial Statements (continued)

7 Investments in subsidiaries

	Balance as at 25 April 2016	Additions	Disposals	Revaluation	Balance as at 30 June 2017
	£	£	£	£	£
Spark Energy Limited	-	47,187,420	-	-	47,187,420
Total	-	47,187,420	-	-	47,187,420

On 25 August 2016, the company acquired 100% of the share capital of Spark Energy Limited for a consideration of £47,187,420 including £2,759,572 of professional fees, the acquisition was accounted for under the acquisition method of accounting.

8 Debtors

	As at 30 June 2017
	£
<i>Amounts falling due within one year:</i>	
Trade debtors	30,000
Due from related parties (Note 11)	29,261
Accrued income	25,000
Total	84,261

9 Creditors

	As at 30 June 2017
	£
<i>Amounts falling due within one year:</i>	
Accrued expense	16,654
Trade creditors	16,456
Total amount falling due within one year	33,110
<i>Amounts falling due in more than one year:</i>	
Loan notes (Note 11)	27,887,808
Total creditors	27,920,918

10 Shareholders' equity

	As at 30 June 2017
	£
Share capital (21,457,151 shares issued and outstanding at £0.01 nominal value)	214,572
Share premium	21,242,679
Total	21,457,251

Notes to the Financial Statements (continued)

11 Related party transactions

The Company acquired Spark Energy Limited ("SEL") as a wholly owned subsidiary, subscribing for 14,566,180 ordinary shares for £44,427,848 (excluding professional fees of £2,759,572), which was fully paid during the period. SEL is the only wholly owned subsidiary of the Company. SEL has the following wholly owned subsidiaries: Spark Energy Supply Ltd, Spark Gas Shipping Ltd, Spark Energy Finance plc, Spark Generation Ltd, and Home Telecom Ltd.

Subsidiaries	Address
Spark Energy Ltd	Ettrick Riverside, Dunsdale Road, Selkirk, TD7 5EB
Spark Energy Supply Ltd	Regent House, 316 Beulah Hill Upper Norwood, London, SE19 3HF
Spark Gas Shipping Ltd	Regent House, 316 Beulah Hill Upper Norwood, London, SE19 3HF
Spark Energy Finance PLC	Ettrick Riverside, Dunsdale Road, Selkirk, TD7 5EB
Spark Generation Ltd	Ettrick Riverside, Dunsdale Road, Selkirk, TD7 5EB
Home Telecom Ltd	Warwick House 25-27 Buckingham Palace Road, London, SW1W 0PP

In relation to management fee, during the period, the Company recognised an income from SEL amounting to £50,000. As at 30 June 2017, £30,000 was due from SEL to the Company.

The Company issued unsecured loan notes to its related parties, Limerston Capital Partners I, L.P. ("LCP I"), Limerston Capital Spark Co-Investment L.P. ("Spark"), and Railways Pension Trustee Company Limited ("RPMI"), Chris Gauld, and Hamish Osborn. The table below summarises the loan notes issued by the Company to its related parties, and loan note interest accrued during the period which were capitalised and added to the outstanding principal amount of the loan notes on 30 June 2017.

	Interest %	Date issued	Principal	Interest	Total
Railways Pension Trustees Ltd	9%	25 August 2016	10,771,423	823,350	11,594,773
Limerston Capital Spark Co-Investment L.P.	9%	25 August 2016	10,502,138	802,766	11,304,904
Limerston Capital Partners I, L.P.	9%	25 August 2016	3,770,944	288,245	4,059,189
111 Group Holdings Limited	9%	25 August 2016	398,208	30,427	428,635
Chris Gauld	9%	25 August 2016	333,369	25,482	358,851
Hamish Osborn	9%	25 August 2016	131,411	10,045	141,456
Total			25,907,493	1,980,315	27,887,808

The loan notes are due for repayment in 2026. During the period, the Company recorded an invoice pertaining to the fund formation of Spark, amounting to £7,289. As at 30 June 2017, £7,289 was due from Spark to the Company.

During the period, the Company called up share capital from its related party, 111 Group Holdings Limited (formerly known as Spark HoldCo Limited), amounting to £21,457,251. As at 30 June 2017, £1,457,251 was outstanding. Furthermore, 111 Group Holdings Limited received payment from RPMI on behalf of the Company, amounting to £10,771,423. On the other hand, the Company received payment from Spark and LCP I on behalf of the 111, amounting to £8,997,862 and £3,230,811 respectively. As at 30 June 2017, a net amount of £1 was due from 111 Group Holdings Limited to the Company.

During the period, Eunoia Advisers Limited ("Eunoia"), a related party due to common directorship, transferred an amount of £20 to the Company. As at 30 June 2017, £20 was due from the Company to Eunoia.

Notes to the Financial Statements (continued)

12 Financial Risk Management

The Directors are ultimately responsible for the overall risk management of the Company.

Market risk

(a) Price risk

The Company's investment are susceptible to market price risk arises from uncertainties about future values of the investment. To manage the market price risk, the Directors review the performance of the investment on a quarterly basis and are in regular contact with management of investment for business and operational matters. Results of these reviews are reported to the shareholders regularly.

The performance of investment held by the Company is monitored by the Directors on a quarterly basis.

(b) Foreign exchange risk

Foreign exchange risk arises as the value of recognised monetary assets and monetary liabilities denominated in other currencies fluctuates due to changes in foreign exchange rates.

As at 30 June 2017, the Company does not hold significant monetary or non-monetary assets denominated in currencies other than the functional currency (the Pound Sterling). It is therefore not exposed to foreign exchange risk.

(c) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows and hence the fair value of the Company's investment.

The Company's investment solely consists of shares in Spark Energy Limited.

The remainder of the Company's financial assets and liabilities are non-interest bearing and any interest bearing financial liabilities typically mature within twelve months. As a result, the Company is subject to limited direct exposure to interest rate risk.

The table below summarises the Company's exposure to interest rate risks. This includes the Company's assets and liabilities at fair values categorised by the earlier of contractual re-pricing or maturity dates.

30 June 2017

	Up to 1 month £	1 to 12 months £	More than 1 year £	Non-interest bearing £	Total £
Assets					
Cash and cash equivalents	90,037	-	-	-	90,037
Debtors	84,261	-	-	-	84,261
Total Assets	174,298	-	-	-	174,298
Liabilities					
Creditors	-	-	(27,887,808)	(33,110)	(27,920,918)
Total Liabilities	-	-	(27,887,808)	(33,110)	(27,920,918)

Notes to the Financial Statements (continued)

12 Financial Risk Management (continued)

Credit risk

Credit risk, which is the risk that one party will cause a financial loss for the other party by failing to discharge an obligation.

As at 30 June 2017, the Company has significant concentration of credit risk from its investment in ordinary shares in Spark Energy Limited (Note 7). Cash transactions are limited to established financial institutions.

The Company assesses all counterparties for credit risk before contracting with them. The Company's maximum exposure to credit risk is detailed in the table below.

The maximum exposure to credit risk at 30 June 2017 are the carrying amounts of the financial assets as set out below.

	As at 30 June 2017 £
Cash and cash equivalents	90,037
Debtors	84,261
Total financial assets	174,298

As at 30 June 2017, the assets held by the Company are neither past due or impaired.

In accordance with the Company's policy, the Directors monitor the Company's credit position on a quarterly basis.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company's investments are subject to liquidity risk in the normal course of business. The Directors manage this risk by ensuring that sufficient funds exist to meet outstanding commitments, other liabilities incurred by the operating activities of the Company and short term liquidity needs, as and when they fall due.

The table below analyses the Company's liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date. The amounts in the table are the contractual undiscounted cash flows.

30 June 2017

	On demand	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
	£	£	£	£	£
Accounts payable	16,456	-	-	-	16,456
Accrued expense	-	16,654	-	-	16,654
Loan notes	-	-	-	27,887,808	27,887,808
Total liabilities	16,456	16,654	-	27,887,808	27,920,918

Notes to the Financial Statements (continued)

12 Financial Risk Management (continued)

Capital risk management

The capital of the Company is represented by the net assets. The Company's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company. In order to maintain or adjust the capital structure, the Directors may call additional share capital or distribute funds to the shareholders.

The Directors monitor capital on the basis of the value of net assets.

13 Contingent assets and liabilities

There are no contingent assets and liabilities that require disclosure in the financial statements.

14 Events after the end of the reporting period

There are no events after the end of the reporting period that require disclosure in the financial statements.

15 Immediate and ultimate controlling parties

The immediate controlling party of the Company is 111 Group Holdings Limited. The ultimate controlling party of the Company is also 111 Group Holdings Limited.

16 Parent controlling party

The parent controlling party of the Company is 111 Group Holdings Limited, which was incorporated in England. Its address is Warwick House, 25-27 Buckingham Palace Road, London SW1W 0PP.