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Registered Number 08500814

Energy Services Acquisitions Limited

Annual Report and Financial Statements

Year ended 30 April 2021

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Directors and advisers

Directors
G J Knight
D Simon
S Cargill

Registered office
Ribble House
Ballam Road
Lytham St. Anne's
Lancashire
UK
FY8 4TS

Independent auditors
BDO LLP
Chartered Accountants and Statutory Auditors
3 Hardman Street
Manchester
M3 3AT

Strategic Report

The Directors present their Strategic Report on the affairs of the Company together with the audited financial statements for the year ended 30 April 2021.

Principal activities

The Company's principal activity is that of a holding Company for its subsidiaries and consequently, did not trade during either the current or prior year.

The trading subsidiary, Inenco Group Limited, is a specialist provider of strategic energy procurement, risk management, compliance, consultancy, cost reduction, and bureau and management solutions to a broad range of clients including corporate, public sector and SME customers.

Principal risks and uncertainties

The Company's principal risk relates to the recoverable value of its equity investments.

The carrying value of investments is dependant upon the performance of its indirect trading subsidiary, Inenco Group Limited. Following a detailed review of future cashflows, it was deemed appropriate to impair the carrying value of this investment to £16.3m in the current year *(2020: £19.9m).*

Going concern

At 30 April 2021, the Company had net liabilities of £118.7m *(2020: £105.4m),* the year-on-year movement being driven by the impairment to the investment and interest accrued on the senior loan.

The Directors have prepared cash flow forecasts of the main trading subsidiary, Inenco Group Limited, for a period of at least twelve months from the date of approval of these financial statements. They have also performed a number of stress test scenarios, including the impact of EBITDA falling short of forecasts in future years and the impact of energy suppliers taking longer to pay their debts due to the ongoing energy price increases, in order to examine Inenco Group Limited's expected ability to be able to meet its future commitments when due and maintain a healthy cash position.

The potential impact of the Winter 2021 energy price increases on the financials of Inenco Group Limited has also been considered. The vast majority of energy suppliers used by the trading subsidiary are large, financially secure suppliers. Management continue to actively monitor suppliers closely but are confident appropriate mitigating actions have been taken.

All of this analysis indicates that taking into account reasonably possible downsides, based on the current known situation, Inenco Group Limited will have sufficient funds to meet its liabilities as they fall due for that period. Inenco Group Limited has also confirmed its present intention not to demand immediate repayment of intercompany amounts due from the Company for a period of at least twelve months from the date of approval of these financial statements, unless the Company has sufficient liquid resources available to pay any amounts due.

The Company is dependent upon the financial support of an intermediate parent undertaking, ICG EFV Luxembourg S.a.r.l, which has confirmed its present intention to support the Company by not demanding repayment of amounts due unless it has sufficient funds available to make payments. This assurance has been provided for a period of at least twelve months from the date of approval of the financial statements.

The Directors therefore consider that the Company will continue to have sufficient funds to continue to meet its liabilities as they fall due for at least the twelve months from the date of approval of the financial statements, and consequently have prepared the financial statements on a going concern basis.

Approval

This report was approved by the Board on 7th March 2022 and signed on its behalf by

DocuSigned by:
Ste Cargill
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S Cargill
Director

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Directors' Report

The Directors present their Directors' Report and the audited financial statements for the year ended 30 April 2021. As permitted by s414c (11) of the Companies Act 2006, details of the Company's principal activities and principal risks and uncertainties are included in the Strategic Report on page 2.

Directors

The Directors who served during the year and up to the date of this report are listed on page 1.

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the Directors and the Company Secretary in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which Directors may not be indemnified, a Directors' and Officers' Liability insurance policy was maintained throughout the financial year and up to the date of approving the financial statements.

Financial risk management objectives and policies

The Company's activities expose it to the following risks:

Cash flow risk
The Company's cash flow risk is relatively low with its function as a holding company. The loan falling due after more than one year is with its intermediate parent undertaking, ICG EFC Luxembourg S.a.r.l. The timing of any of these payments does not create a cash flow risk, see Going Concern review for details.

Credit risk
The Company's principal financial assets are investments and it has no significant concentration of credit risk.

Liquidity risk
Liquidity risk of the Company is insignificant as its financial liabilities are all with either other entities within the Igloo Investment Topco Limited group, or with its intermediate parent undertaking, ICG EFC Luxembourg S.a.r.l. Further details regarding how this risk is managed is discussed in the Going Concern review.

Dividends

No dividends were paid during the year *(2020: £nil)*. The Directors do not recommend payment of a dividend *(2020: £nil)*.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

The auditors, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the forthcoming Annual General Meeting.

Approval

This report was approved by the Board on 7th March 2022 and signed on its behalf by:

DocuSigned by:
Ste Cargill
0EB723E4391E439...

S Cargill
Director

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Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report, and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENERGY SERVICES ACUISITIONS LIMITED

Opinion on the 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 April 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Energy Services Acquisitions Limited ("the Company") for the year ended 30 April 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENERGY SERVICES ACUISITIONS LIMITED *(CONTINUED)*

Other Companies Act 2006 reporting

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding and accumulated knowledge of the company we considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the company's accounting policies, the financial reporting framework, and the UK Companies Act 2006. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENERGY SERVICES ACUISITIONS LIMITED *(CONTINUED)*

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Identifying and testing journal entries, with a focus on manual journals to cash and unusual account combinations;
- Challenging assumptions, accounting estimates and judgements made by the Directors, particularly in relation to fixed asset investments;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

Use of our report

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.

DocuSigned by:
Stuart Wood
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Stuart Wood (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester
Date: 7th March 2022
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income
for the year ended 30 April 2021

	Note	**2021**	2020
		£000	£000
Other operating charges		**(59)**	(145)
Operating loss before exceptional items		**(59)**	(145)
Exceptional items	*5*	**(3,573)**	(45,312)
Operating loss	*4*	**(3,632)**	(45,457)
Interest payable and similar expenses	*7*	**(9,635)**	(8,794)
Loss before taxation		**(13,267)**	(54,251)
Taxation	*8*	**-**	-
Loss for the financial year		**(13,267)**	(54,251)

All items dealt with in arriving at the results above relate to continuing operations.

The company has no other comprehensive income for the current and preceding financial year, therefore no separate Statement of Comprehensive Income has been presented.

The notes on pages 11 to 20 form an integral part of these financial statements.

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Statement of Financial Position
as at 30 April 2021

	Note	**2021**	2020
		£000	£000
Fixed assets			
Investments	*9*	**16,337**	19,910
		16,337	19,910
Current assets			
Debtors	*10*	**5**	64
Cash at bank and in hand		**7**	7
		12	71
Creditors: amounts falling due within one year	*11*	**(27,583)**	(27,583)
Net current liabilities		**(27,571)**	(27,512)
Total assets less current liabilities		**(11,234)**	(7,602)
Creditors: amounts falling due after more than one year	*12*	**(107,466)**	(97,831)
Net liabilities		**(118,700)**	(105,433)
Capital and reserves			
Called up share capital	*13*	**444**	444
Profit and loss account		**(119,144)**	(105,877)
Total shareholders' funds		**(118,700)**	(105,433)

The financial statements were approved by the Board of Directors on 7th March 2022 and were signed on its behalf by:

DocuSigned by:
Ste Cargill
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S Cargill
Director

The notes on pages 11 to 20 form an integral part of these financial statements.

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Statement of Changes in Equity
for the year ended 30 April 2021

	Share capital	**Retained earnings**	**Total Equity**
	£000	**£000**	**£000**
Balance as at 30 April 2019	444	(51,626)	(51,182)
Loss for the financial year	-	(54,251)	(54,251)
Balance as at 30 April 2020	444	(105,877)	(105,433)
Loss for the financial year	-	(13,267)	(13,267)
Balance as at 30 April 2021	**444**	**(119,144)**	**(118,700)**

The notes on pages 11 to 20 form an integral part of these financial statements.

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Notes to the financial statements

1 General information

Energy Services Acquisitions Limited (the "Company") is a holding company investing in subsidiaries whose principal activities are to act as a specialist provider of strategic energy procurement, risk management, compliance, consultancy, cost reduction, bureau, and management solutions.

The Company is a private company limited by shares, incorporated in Lancashire, United Kingdom. The address of the Company's registered office is Ribble House, Ballam Road, Lytham St. Anne's, Lancashire, FY8 4TS.

2 Statement of compliance

The financial statements of Energy Services Acquisitions Limited have been prepared in compliance with 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'') and the Companies Act 2006.

3 Summary of 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 all the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with FRS 102 and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed under "Critical accounting judgments and key source of estimation uncertainty" included within this note.

b) Going concern

At 30 April 2021, the Company had net liabilities of £118.7m *(2020: £105.4m),* the year-on-year movement being driven by the impairment to the investment and interest accrued on the senior loan. The Company did not trade during either the current or prior year and continues to act as a holding company for its subsidiaries, with the main trading subsidiary being Inenco Group Limited.

The Directors have prepared cash flow forecasts of Inenco Group Limited for a period of at least twelve months from the date of approval of these financial statements. They have also performed a number of stress test scenarios, including the impact of EBITDA falling short of forecasts in future years and the impact of energy suppliers taking longer to pay their debts due to the ongoing energy price increases, in order to examine Inenco Group Limited's expected ability to be able to meet its future commitments when due and maintain a healthy cash position.

The Directors have also considered the potential impact of the Winter 2021 energy price increases on the financials of Inenco Group Limited. The vast majority of energy suppliers used by the trading subsidiary are large, financially secure suppliers. Management continue to actively monitor suppliers closely but are confident appropriate mitigating actions have been taken.

All of this analysis indicates that taking into account reasonably possible downsides and incorporating an assessment of the financial impact of both the Covid-19 pandemic and the ongoing Winter 2021 energy price increases, based on the current known situation, Inenco Group Limited will have sufficient funds to meet its liabilities as they fall due for that period.

Notes to the financial statements *(continued)*

3 Summary of significant accounting policies *(continued)*

b) Going concern *(continued)*

Inenco Group Limited has confirmed its present intention not to demand immediate repayment of intercompany amounts due from the Company for a period of at least twelve months from the date of approval of these financial statements, unless the Company has sufficient liquid resources available to pay any amounts due.

The Company is dependent upon the financial support of an intermediate parent undertaking, ICG EFV Luxembourg S.a.r.l. ICG EFV Luxembourg S.a.r.l has confirmed its present intention to support the Company by not demanding repayment of amounts due unless it has sufficient funds available to make payments.

The Directors therefore consider that the Company will continue to have sufficient funds to continue to meet its liabilities as they fall due for at least the twelve months from the date of approval of the financial statements, and therefore have prepared the financial statements on a going concern basis.

c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions if certain conditions have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a Group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Igloo Investment Topco Limited which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

(i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
(ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
(iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
(iv) from the requirement to disclose the key management personnel compensation as required by paragraph 33.7 of FRS 102.

d) Consolidated financial statements

The Company is a wholly owned subsidiary of Igloo Investment Bidco Limited and is included in the consolidated financial statements of Igloo Investment Topco Limited which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under Section 400 of the Companies Act 2006.

e) Interest payable

Interest payable is recognised in the Statement of Comprehensive Income in the year in which it is incurred.

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Notes to the financial statements *(continued)*

3 Summary of significant accounting policies *(continued)*

f) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

Deferred tax assets are recognised only when, on the basis of all available evidence, it can be regarded probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the reporting date.

g) Fixed asset investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any accumulated impairment losses.

Impairment reviews are performed by the Directors when there has been an indication of potential impairment. Where impairment losses arise, these are recognised in the Statement of Comprehensive Income.

h) Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other debtors, cash and cash equivalents, 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 measured at amortised cost 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.

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Notes to the financial statements *(continued)*

3 Summary of significant accounting policies *(continued)*

h) Financial instruments *(continued)*

i) Financial assets (continued)

If there is 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.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, 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.

ii) Financial Liabilities

Basic financial liabilities, including trade and other creditors and loans from/to group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

The Company does not hold or issue derivative financial instruments.

iii) Offsetting

Financial assets and liabilities are offset, and the net amount presented in the financial statements when there is a legally 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.

i) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- ***Fixed asset investments***

The Company makes an estimate of the recoverable value of its investments. The Company reviews its investments for impairment whenever events or changes in circumstances indicate that the carrying amount may not be supported by its underlying assets.

- ***Fair value of derivatives***

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of reporting period.

Notes to the financial statements *(continued)*

4 Operating loss

	2021	2020
	£000	£000
Operating loss is stated after charging:		
Amortisation of debt issue costs	**59**	145
Exceptional items *(note 5)*	**3,573**	45,312

The auditors' remuneration for the statutory audit of the Company for the year ended 30 April 2021 is £5k *(2020: £5k)*, all of which has been borne by Inenco Group Limited, a subsidiary undertaking.

5 Exceptional items

	2021	2020
	£000	£000
Impairment of investment in subsidiaries	**3,573**	45,312

Following an assessment of future cashflows of the Company's indirect trading subsidiary, Inenco Group Limited, the investment value was impaired by £3.6m in the current year *(2020: £45.3m)*.

6 Employees and directors

Employees

The Company had no employees during the current or previous financial year.

Directors

Director emoluments for services to the Company for the current year were £nil *(2020: £nil)*.

7 Interest payable and similar expenses

	2021	2020
	£000	£000
Interest payable on loan notes	**9,635**	8,794

Notes to the financial statements *(continued)*

8 Tax on loss on ordinary activities

	2021	2020
	£000	£000
Current tax		
UK corporation tax on losses for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher *(2020: higher)* than the standard rate of corporation tax in the UK of 19% *(2020: 19%)*. The differences are explained below:

	2021	2020
	£000	£000
Loss before taxation	**(13,267)**	(54,251)
Tax on loss on ordinary activities at standard CT rate of 19% *(2020:19%)*	**(2,521)**	(10,308)
Effects of:		
Expenses not deductible for taxation purposes	**2,521**	9,928
Remeasurement of deferred tax for changes in tax rates	-	(78)
Deferred tax not recognised	-	458
Total tax charge for the year	-	-

Factors that may affect future tax charges

The Government has announced that it intends to increase the rate of corporation tax from 19% to 25% from 1 April 2023. As this rate was substantively enacted in May 2021 after the balance sheet date, the impact of the anticipated rate change on future tax charges will be reflected in the financial statements in the subsequent period.

Deferred taxation

The Company has non-trading losses of £3.9m *(2020: £3.9m)* available to offset against future non-trading profits giving rise to a potential deferred tax asset of £0.7m *(2020: £0.7m)*. No deferred tax asset has been recognised in respect of the taxable losses on the basis that it is not sufficiently certain whether there will be sufficient taxable profits in the future to realise the deferred tax asset.

Notes to the financial statements *(continued)*

9 Investments

	Investments in subsidiary undertakings
	£000
At 30 April 2020	79,603
Additions	-
At 30 April 2021	**79,603**
Impairment	
At 30 April 2020	59,693
Charge for the year	3,573
At 30 April 2021	**63,266**
Net book value	
At 30 April 2021	**16,337**
At 30 April 2020	19,910

The carrying value of investments is dependent upon the performance of its indirect trading subsidiary, Inenco Group Limited. Following a detailed review of expected future cashflows, taking into account the effect of Covid-19 and the ongoing Winter 2021 energy price increases, it was deemed appropriate to impair the carrying value of this investment down to £16.3m in the current year.

Notes to the financial statements *(continued)*

9 Investments *(continued)*

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name of business	Class of share capital held	Country of incorporation	Proportion held by parent Company	Nature of business
Inenco Holdings Limited	Ordinary	England	100%	Intermediate holding company
Inenco Limited*	Ordinary	England	100%	Intermediate holding company
Inenco Group Limited*	Ordinary	England	100%	Provider of strategic energy services
Inenco Energy Trading Limited*	Ordinary	England	100%	Provider of energy trading to its immediate parent undertaking

* Indirectly held

All of the above-named businesses are registered in England and Wales. Their registered head office address is at Ribble House, Ballam Road, Lytham St. Anne's, Lancashire, FY8 4TS.

10 Debtors

	2021	2020
	£000	£000
Prepayments	**5**	64

Included within prepayments are capitalised debt issue costs of £nil *(2020: £58k)*, to be amortised within one year.

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Notes to the financial statements *(continued)*

11 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed to Group undertakings	**27,583**	27,583

Amounts owed to Group undertakings are unsecured and non-interest bearing. No formal terms have been agreed between Group entities governing when intercompany balances are due to be repaid. As such, intercompany balances are repayable on demand.

12 Creditors: amounts falling due after more than one year

	2021	2020
	£000	£000
Related party debt (net of issue costs)	**107,466**	97,831

13 Called up share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid		
444,445 *(2020: 444,445)* ordinary shares of £1 each	**444**	444

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Notes to the financial statements *(continued)*

14 Ultimate parent undertaking

The immediate parent undertaking is Igloo Investment Bidco Limited, which is registered in England and Wales. Igloo Investment Bidco Limited's registered office is at Ribble House, Ballam Road, Lytham St Anne's, Lancashire, England FY8 4TS.

The Company's ultimate parent undertaking is ICG Europe Fund V No.1 Limited Partnership (which represents the funds managed or controlled by ICG Europe Fund V GP Limited). Accordingly, the Directors consider the Company's ultimate controlling party to be ICG Europe Fund V No.1 Limited Partnership, a fund registered in Jersey.

Igloo Investment Topco Limited is the parent undertaking of the smallest and largest Group of undertakings to consolidate these financial statements. The consolidated financial statements of Igloo Investment Topco Limited are available from the Company Secretary at Ribble House, Ballam Road, Lytham St Anne's, Lancashire, England FY8 4TS.

15 Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the Group.