

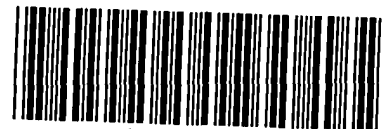
SSE Airtricity Gas Supply (NI) Limited

Directors' report and financial statements

Year ended 31 March 2019

Registered number: N1032810

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SSE Airtricity Gas Supply (NI) Limited

Directors' report and financial statements

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SSE Airtricity Gas Supply (NI) Limited

Directors and other information

Directors

S. Gallagher
S. Wheeler (resigned 05 July 2019)
M. Ennis
A. Greer (appointed 21 December 2018)
K. Neenan (appointed 05 July 2019)

Registered office

3rd Floor Millennium House
25 Great Victoria Street
Belfast
BT2 7AQ

Secretary

P. Lawns (resigned 29 August 2019)
H. Gettinby (appointed 29 August 2019)

Bankers

Danske Bank
Donégall Square West
Belfast
BT1 6JS

National Westminster Bank
13 Market Place
Reading
Berkshire
RG1 2EP

Auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephens Green
Dublin 2

Solicitors

SSE Legal Counsel
Inveralmond House
200 Dunkeld House
Perth
PH1 3AQ
Scotland

Company number

NI032810

SSE Airtricity Gas Supply (NI) Limited

Strategic Report

The directors present their report and audited financial statements for the year ended 31 March 2019.

The Strategic report has been prepared in accordance with the requirements of the Companies Act 2006.

Review of business

The business is regulated under license by the Northern Ireland Authority for Utility Regulation and is subject to a regulated price control mechanism.

At the financial year end, SSE Airtricity Gas Supply (NI) Limited had a 76% share of connections in the domestic and small I&C gas market and a 37% share in the larger commercial gas market in the Greater Belfast area.

The Company's immediate parent undertaking is SSE Airtricity Energy Supply (NI) Limited, a company registered in the United Kingdom. The Company's ultimate parent undertaking is SSE plc, a company registered in the United Kingdom.

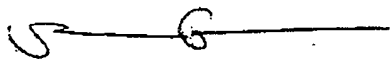
Key performance indicators

The directors believe the following indicators provide sufficient information as to how the Company is performing.

	2019 £'000	2018 £'000
Turnover:	109,038	99,801
Gross profit (before derivative adjustments)	8,885	5,756
Operating profit (before derivative adjustments)	3,751	642
Net profit (before derivative adjustments)	3,751	464
Net assets	6,009	9,341

The directors monitor these indicators on a monthly basis and believe they provide sufficient information on how the Company is performing.

On behalf of the Board:



S. Gallagher
Director

Date: 27 September 2019

SSE Airtricity Gas Supply (NI) Limited

Directors' Report

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2019.

Principal activities

The principal activity of the company is the supply of natural gas within the company's license area in a reliable way.

SSE Airtricity Gas Supply (NI) Limited is the market leader in gas supply in Northern Ireland delivering natural gas to customers. The company purchases gas from other group companies and third parties and pays Phoenix Natural Gas, GMO Northern Ireland, SGN Natural Gas and Firmus for the distribution and transmission costs. SSE Airtricity has recently become a supplier of natural gas to domestic and small commercial customers in the Gas to the West Network.

Results and dividends

The profit and loss account for the year ended 31 March 2019 is set out on page 9. The loss for the year after taxation amounted to £3,352,000 (2018: profit of £2,119,000). The balance sheet at 31 March 2019 is set out on page 10 and indicates net assets of £6,009,000 (2018: £9,341,000).

The results excluding the movement in derivatives show a profit of £2,876,000 (2018: £464,000). Performance in 18/19 reflects higher underlying energy costs as well as the return of a prior year under recovery in accordance with the terms of our price control. The company is subject to a regulated price control whereby any related profits or losses that are outside the allowable 2.0% margin are returned to customers through tariff adjustments.

Directors

The directors and Company secretary in place at 31 March 2019 are listed on page 1. In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation. A. Greer and K. Neenan were appointed as Directors on 21 December 2018 and 05 July 2019 respectively. S. Wheeler resigned as Director on 05 July 2019.

Political donations

The Company did not make any political donations in the year (2018: £nil).

Disclosure of information to auditors

The directors who held office at the date of approval of this director's report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and the directors have 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.

Post balance sheet events

There have been no significant events since the balance sheet date.

Principal risks and uncertainties

The Company is aware of the political uncertainty around Brexit. This is being closely monitored by the Company but is not considered to have a significant impact on the accounts for the year ended 31 March 2019.

SSE Airtricity Gas Supply (NI) Limited


Directors' Report *(continued)*

Auditor

A formal external audit tender process has been completed by the Audit Committee on behalf of the Board and EY have been selected by the board as the new Statutory Auditors in respect of the financial year ending 31 March 2020.

KPMG intend to resign as Statutory Auditors upon conclusion of the 2019 statutory audit.

On behalf of the Board:


S. Gallagher
Director

Date: 27 September 2019

SSE Airtricity Gas Supply (NI) Limited

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The directors are responsible for preparing the directors' report, strategic 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 they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the Board:



S. Gallagher
Director



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSE AIRTRICITY GAS SUPPLY (NI) LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SSE Airtricity Gas Supply (NI) Limited ('the Company') for the year ended 31 March 2019, which comprise the statement of profit and loss and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 Reduced Disclosure Framework.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSE AIRTRICITY GAS SUPPLY (NI) LIMITED
(continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic and directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSE AIRTRICITY GAS SUPPLY (NI) LIMITED
(continued)

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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

Ryan McCarthy (Senior Statutory Auditor)
for and on behalf of
KPMG Statutory Auditor
1 Stokes Place
St Stephens Green
Dublin 2

27 September 2019

SSE Airtricity Gas Supply (NI) Limited

Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 March 2019

	Note	Year Ended 31 March 2019			Year Ended 31 March 2018		
		Excluding Derivatives £'000	Derivatives £'000	Total £'000	Excluding Derivatives £'000	Derivatives £'000	Total £'000
Turnover	3	109,038	-	109,038	99,801	-	99,801
Cost of sales		(100,153)	(7,689)	(107,842)	(94,045)	2,043	(92,002)
Gross profit		8,885	(7,689)	1,196	5,756	2,043	7,799
Administrative expenses		(5,134)	-	(5,134)	(5,114)	-	(5,114)
Operating profit	4,5	3,751	(7,689)	(3,938)	642	2,043	2,685
Interest payable and similar charges	6	-	-	-	(89)	-	(89)
Interest receivable and similar income	7	-	-	-	-	-	-
Profit on ordinary activities before taxation		3,751	(7,689)	(3,938)	553	2,043	2,596
Tax charge on profit on ordinary activities	8	(875)	1,461	586	(89)	(388)	(477)
Profit for the financial year		2,876	(6,228)	(3,352)	464	1,655	2,119

The accompanying notes form an integral part of this profit and loss account.

There was no items of other comprehensive income during the current year or prior period.

SSE Airtricity Gas Supply (NI) Limited

Balance Sheet

as at 31 March 2019

	Note	31 March 2019 £'000	31 March 2018 £'000
Fixed assets			
Intangible assets	9	725	437
		<u>725</u>	<u>437</u>
Current assets			
Debtors	10	33,988	29,529
Cash at bank and in hand		2,609	2,978
Derivative financial asset	14	-	1,836
		<u>36,597</u>	<u>34,343</u>
Creditors: amounts falling due within one year	11	(25,460)	(25,439)
Derivative financial liabilities	14	(5,853)	-
		<u>5,284</u>	<u>8,904</u>
Net current assets		6,009	9,341
Total assets less current liabilities		6,009	9,341
		<u>6,009</u>	<u>9,341</u>
Net assets			
Capital and Reserves			
Called up share capital	12	-	-
Profit and loss account		6,009	9,341
		<u>6,009</u>	<u>9,341</u>
Shareholders' funds		6,009	9,341
		<u>6,009</u>	<u>9,341</u>

The accompanying notes form an integral part of this Balance Sheet.

On behalf of the Board:



S. Gallagher
Director

Date: 27 September 2019

SSE Airtricity Gas Supply (NI) Limited

Statement of Changes in Equity

for the year ended 31 March 2019

	Share Capital £'000	Retained Earnings £'000	Total Equity £'000
Balance as at 1 April 2017	-	7,191	7,191
Profit for the financial year	-	2,119	2,119
Share Based payments	-	31	31
Balance as at 31 March 2018	-	9,341	9,341
Balance as at 1 April 2018	-	9,341	9,341
Profit for the financial year	-	(3,352)	(3,352)
Share Based payments	-	20	20
Balance as at 31 March 2019	-	6,009	6,009

SSE Airtricity Gas Supply (NI) Limited

Notes

forming part of the financial statements

1 Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

These Financial Statements were prepared in accordance with *FRS101: Reduced Disclosure Framework*. In preparing these financial statements, the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"), but has made amendments, where necessary, in order to comply with the Companies Act 2006, and has set out below where advantages of the *FRS 101* disclosure exemptions has been taken.

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

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- The effect of new, but not yet effective IFRSs;
- Disclosures in respect of the compensation of key management personnel;
- Disclosures in respect of capital management; and
- Related party disclosures.

As the consolidated financial statements of SSE plc include the equivalent disclosure, the Company has also taken advantage of the exemptions, under *FRS 101*, available in respect of the following disclosures:

- Certain disclosures, required by *IAS 36 Impairment of assets*, in respect of the impairment of goodwill and life intangible assets; and
- Certain disclosures required by *IFRS 13 Fair value measurement* and the disclosures required by *IFRS 7 Financial instrument disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Impact of new international reporting standards

There has been no material impact on the Company's Financial Statements as a result of adopting *IFRS9 Financial Instruments* and *IFRS15 Revenue from Contracts with Customers* from 1 April 2018.

Measurement Convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as fair value through the profit or loss.

Finance income and finance costs

Finance income is recognised as it accrues in profit or loss using the effective interest rate method. Finance costs comprise interest expense on borrowing and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to an acquisition or construction of a qualifying asset are recognised in profit or loss using the effective interest method.

SSE Airtricity Gas Supply (NI) Limited

Notes (continued)

1 Statement of accounting policies (continued)

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation of intangible assets is charged to operating expenses on a straight-line basis over 20 years. The residual value and useful life is reviewed at each balance sheet date.

Turnover

Turnover represents net sales of gas supplied to customers during the period, excluding Value Added Tax. Sales are based on an estimate of the value of gas supplied to customers between the date of the last meter reading and the year end. This is estimated by using historical consumption patterns and by taking into consideration industry reconciliation processes for total consumption by supplier. At the balance sheet date, the estimated consumption by customers will either have been billed or accrued.

Taxation

Current tax, including UK corporation tax and foreign tax is provided on the Company's taxable profits at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of the evidence available, it can be regarded as more likely than not there will be suitable taxable profits from which future reversals of the underlying timing differences can be deducted.

Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rates of exchange prevailing at the balance sheet date.

Gains and losses arising from changes in exchange rates subsequent to the dates of transactions are included in the profit and loss account.

Pension costs

The company is part of SSE plc pension plans which cover certain employees of the company through contributions to defined contribution schemes. The amount charged to the profit and loss account in respect of pension costs is the amount payable in the year. Differences between contributions payable in the year and contributions actually paid are included in other debtors or creditors in the balance sheet.

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

SSE Airtricity Gas Supply (NI) Limited

Notes (continued)

1 Statement of accounting policies (continued)

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The impact of open derivative instruments at the balance sheet date on the results for the year has been presented separately as the directors believe this presents a fairer reflection of underlying trade performance.

Impairment policy

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

2 Ownership and operations

The Company is engaged in the supply of natural gas to its customers in Northern Ireland.

The Company is a wholly owned subsidiary of SSE Airtricity Energy Supply (NI) Limited, a company registered in the United Kingdom. The Company's ultimate parent undertaking is SSE plc, registered in the United Kingdom. The largest company in which the results of the Company are consolidated is that headed by SSE plc. No other company financial statements include the results of the Company. The consolidated financial statements of SSE plc are available to the public and may be obtained from its registered office at Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ.

3 Turnover

The Company's entire turnover arose in Northern Ireland and related to the supply of natural gas.

4 Expenses and auditor's information

Profit on ordinary activities before taxation, all of which was generated by continuing operations, has been determined after charging the following:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Licence amortisation	50	50

Auditor's and directors' remuneration have been borne by another Group company in the current year and prior period.

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Audit services	5	5

SSE Airtricity Gas Supply (NI) Limited

Notes (continued)

5 Employees and remuneration

During the current year, the average number of persons employed by the Company was 60 (2018: 62).

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
The aggregate payroll costs of these persons was as follows:		
Wages and salaries	1,189	1,081
Social welfare costs	101	90
Pension costs (note 15)	136	126
	<u>1,426</u>	<u>1,297</u>

None of the directors received any emoluments in respect of fees or services to the company in the year ended 31 March 2019 (2018: Nil).

6 Net interest payable and similar charges

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Interest payable to parent undertaking	-	(89)
	<u>-</u>	<u>(89)</u>

7 Net interest receivable and similar income

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Interest receivable from parent undertaking	-	-
	<u>-</u>	<u>-</u>

SSE Airtricity Gas Supply (NI) Limited

Notes (continued)

8 Taxation

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Current taxation		
Corporation tax charge	672	242
Adjustments in respect of prior periods	3	6
	<u>675</u>	<u>248</u>
Deferred taxation		
Charge during the period (note 13)	(1,409)	259
Effect of rate change	-	(27)
Adjustments in respect of prior periods	148	(3)
	<u>(1,261)</u>	<u>229</u>
Tax charge on ordinary activities	<u>(586)</u>	<u>477</u>

The difference between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit on ordinary activities before tax is as follows:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Profit on ordinary activities before tax	<u>(3,938)</u>	<u>2,596</u>
Tax charge on profit on ordinary activities at standard UK corporation tax rate of 19.00% (2018: 19.00%)	(748)	493
Effects of:		
Net income/expenses not deductible for tax purposes	11	8
Prior year under provision	151	3
Effect of rate change	-	(27)
Total tax charge for period	<u>(586)</u>	<u>477</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from April 2015) were substantively enacted on 2 July 2013. A further reduction to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the company's future current tax charge accordingly.

SSE Airtricity Gas Supply (NI) Limited

Notes (continued)

9 Intangible assets

	Goodwill £'000	Projects in Development £'000	Total £'000
Cost:			
At beginning and end of the year	1,000	-	1,000
Additions	-	338	338
Balance at the end of the year	1,000	338	1,338
Amortisation/impairment			
At the beginning of the year	563	-	563
Amortisation	50	-	50
At the end of the year	613	-	613
Net book value			
At 31 March 2019	387	338	725
At 31 March 2018	437	-	437

10 Debtors

	31 March 2019 £'000	31 March 2018 £'000
Trade receivables	6,001	3,665
Amounts due from Group undertakings	26,590	25,492
Deferred tax (note 13)	1,396	135
Other debtors	1	237
	33,988	29,529

11 Creditors: amounts falling due within one year

	31 March 2019 £'000	31 March 2018 £'000
Corporation tax payable	1,287	858
Amounts owed to Group undertakings	8,020	8,929
Accruals and other creditors	9,974	10,271
Deferred revenue	6,179	5,381
	25,460	25,439

Interest was accrued on amounts owed to the ultimate parent undertaking during the year at a rate of 5.23% (2018 5.52%) and shall be repayable on demand.

SSE Airtricity Gas Supply (NI) Limited

Notes (continued)

12 Called up share capital

	31 March 2019 £	31 March 2018 £
<i>Authorised</i>		
2 ordinary shares of £1 each	2	2
Allotted, called up and fully paid.	2	2

13 Deferred tax asset

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Provisions	409	443	-	-	409	443
Other	-	-	-	-	-	-
Fixed Assets	-	4	(7)	-	(7)	4
Financial Assets	995	-	-	(312)	995	(312)
	1,404	447	(7)	(312)	1,397	135

Movement in deferred tax during the year

	1 April 2018 £'000	Recognised in income £'000	31 March 2019 £'000
Provisions	444	(35)	409
Other	-	-	-
Fixed Assets	4	(11)	(7)
Financial Assets	(312)	1,307	995
	135	1,261	1,397

Movement in deferred tax during prior period

	1 April 2017 £'000	Recognised in income £'000	31 March 2018 £'000
Provisions	324	120	444
Other	-	-	-
Fixed Assets	4	(1)	4
Financial Assets	36	(348)	(312)
	364	(229)	135

SSE Airtricity Gas Supply (NI) Limited

Notes (continued)

14 Derivative and financial instruments

Exposure to interest rate risk arises in the normal course of the Company's business. Derivative financial instruments are entered into to hedge exposure to risk. The objectives and policies for holding or issuing financial instruments and similar contracts, and the strategies for achieving those objectives that have been followed during the year are explained below.

Fair values have been determined with reference to closing market prices.

Derivative and financial instrument disclosure

For disclosure purposes, derivative financial instruments are classified into two categories, operating derivatives and financing derivatives. The company only utilise financing derivatives. Financing derivatives include all fair value and cash flow interest rate hedges, non-hedge accounted (mark-to-market, noted as MTM) interest rate derivatives, cash flow foreign exchange hedges and non-hedge accounted (MTM) foreign exchange contracts. Non-hedge accounted contracts are treated as held for trading (MTM). The carrying value is the same as the fair value for all instruments. All balances are stated gross of associated deferred taxation.

Fair values

The fair values of the Company's financial assets and financial derivatives, and the carrying amounts in the balance sheet are analysed below. Balances included in the analysis of primary financial assets and liabilities include cash and cash equivalents, loans and borrowings, trade and other debtors, trade and other creditors and provisions, all of which are disclosed separately. Own use commodity contracts are not considered to be financial instruments.

Basis of determining fair value

Closing rate market values have been used to determine the fair values of the interest rate and foreign currency contracts and denominated long-term fixed rate debt. Estimates applied reflect management's best estimates of these factors.

Summary fair values

The fair values of the primary financial assets and liabilities together with their carrying values are as follows:

	2018 Carrying value £'000	2018 Fair value £'000	2017 Carrying value £'000	2017 Fair value £'000
Financial assets				
Trade and other debtors	32,592	32,592	29,394	29,394
Cash	2,609	2,609	2,978	2,978
Derivative financial assets	-	-	1,836	1,836
Financial liabilities				
Trade and other creditors	19,281	19,281	20,058	20,058
Derivative financial liabilities	5,853	5,853	-	-

15 Pension scheme

The Company's total pension costs for the year ended 31 March 2019 were £135,618 (2018: £126,306). No significant amounts were due to the pension funds at 31 March 2019 (2018: £nil)

Pension contributions for certain employees are made in respect of the defined contribution schemes operated by SSE plc.