

Company Registration No. SC495826 (Scotland)

SPARK ENERGY FINANCE PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2016

SPARK ENERGY FINANCE PLC

COMPANY INFORMATION

Directors	Mr C Gauld Mr H Osborn
Secretary	Mrs D M Harding
Company number	SC495826
Registered office	Ettrick Riverside Dunsdale Road SELKIRK TD7 5EB
Auditor	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE

SPARK ENERGY FINANCE PLC

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Income statement	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9 - 14

SPARK ENERGY FINANCE PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 JUNE 2016

The directors present the strategic report and the financial statements for the period ended 30 June 2016.

Review of the business

During the period the company made a loss of £45,019. The company has issued £4m of investment bonds during the period. The proceeds of the bonds issued are transferred via a corresponding intercompany receivable to Spark Energy Finance Plc's parent company, Spark Energy Limited. The loss for the period represents administrative costs incurred by the company in relation to the above activities.

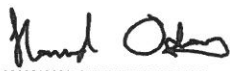
Principal risks and uncertainties

The principal risk and uncertainty affecting the company is associated with the parent company's ability to make interest and bond repayments when due.

Key performance indicators

There are no KPIs that are actively monitored in the entity due to the size and nature of the activities undertaken.

On behalf of the board



Mr H Osborn

Director

30/9/16

SPARK ENERGY FINANCE PLC

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2016

The company was incorporated on 23 January 2015. The directors present their directors report and financial statements for the period ended 30 June 2016.

Principal activities

The principal activity of the company is the holding of investment bonds.

Results and dividends

The results for the year are set out on page 6.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr T Noble	(Resigned 25 August 2016)
Mr C Gauld	
Mr H Osborn	

Future developments

The company will continue the activity of holding investment bonds.

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 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.

SPARK ENERGY FINANCE PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2016

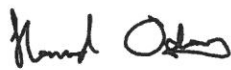
Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself 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 provisions of section 418 of the Companies Act 2006.

On behalf of the board



.....
Mr H Osborn

Director

30/9/16
.....

SPARK ENERGY FINANCE PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPARK ENERGY FINANCE PLC

We have audited the financial statements of Spark Energy Finance Plc for the period ended 30 June 2016 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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, 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 Directors' Report 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 2016 and of its loss for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

SPARK ENERGY FINANCE PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SPARK ENERGY FINANCE PLC

Matters on which we are required to report by exception

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.

Johnston Carmichael LLP

David Holmes (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

30 September 2016

Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

SPARK ENERGY FINANCE PLC

INCOME STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2016

	Notes	Period ended 30 June 2016 £
Administrative expenses		(100)
Interest receivable and similar income	6	328,110
Interest payable and similar charges	7	(373,029)
Loss before taxation		<u>(45,019)</u>
Tax on loss on ordinary activities	8	-
Loss for the financial period		<u><u>(45,019)</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

No separate statement of other comprehensive income has been presented as there are no items of other comprehensive income in the period.

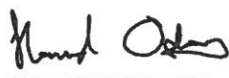
SPARK ENERGY FINANCE PLC

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Notes	£
Current assets		
Trade and other receivables	9	3,968,472
Cash at bank and in hand		12,413
		<u>3,980,885</u>
Total assets less current liabilities		<u>3,980,885</u>
Creditors: amounts falling due after more than one year		
Borrowings	10	3,975,904
		<u>4,981</u>
Net assets		<u><u>4,981</u></u>
Capital and reserves		
Called up share capital	11	50,000
Profit and loss account		(45,019)
		<u>4,981</u>
Total equity		<u><u>4,981</u></u>

The financial statements were approved by the Board of directors and authorised for issue on 30/9/16
Signed on its behalf by:



.....
Mr H Osborn
Director

Company Registration No. SC495826

SPARK ENERGY FINANCE PLC

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2016

	Share capital £	Retained earnings £	Total £
Balance at 23 January 2015	-	-	-
	<hr/>	<hr/>	<hr/>
Loss for the period	-	(45,019)	(45,019)
Issue of share capital	50,000	-	50,000
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2016	50,000	(45,019)	4,981
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SPARK ENERGY FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2016

1 Accounting policies

Company information

Spark Energy Finance Plc is a company limited by shares incorporated in Scotland on 23 January 2015. These initial accounts have been prepared for the period ending 30 June 2016. The registered office is Ettrick Riverside, Dunsdale, Selkirk, TD7 5EB.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The company's financial statements are presented in Sterling and all values are rounded to the nearest £ except when otherwise indicated.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Where required, equivalent disclosures are given in the group accounts of Spark Energy Limited. The group accounts of Spark Energy Limited are available to the public and can be obtained as set out in note 12.

The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Spark Energy Limited.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

1.3 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SPARK ENERGY FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.5 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.6 Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

SPARK ENERGY FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds receivable, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 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 income statement 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.

2 Revenue

An analysis of the company's revenue is as follows:

	£
Interest income	328,110
	<u>328,110</u>

3 Loss for the period

Loss for the period is stated after charging/(crediting):
Bank charges

£
100

4 Auditor's remuneration

Fees payable to the company's auditor and associates:

£

For audit services

Audit of the company's financial statements

-

Audit fees of £4,150 are borne by Spark Energy Limited.

5 Directors' Remuneration

The company had no employees. The directors did not receive any remuneration in respect of their services to the company during the period to 30 June 2016.

SPARK ENERGY FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2016

6 Investment income

	£
Interest income	
Other interest income	328,110
	<u>328,110</u>

7 Finance costs

	£
Interest on financial liabilities measured at amortised cost:	
Interest on other loans	373,029
	<u>373,029</u>

8 Taxation

The charge for the period can be reconciled to the loss per the income statement as follows:

	£
Loss before taxation	(45,019)
	<u>(45,019)</u>
Expected tax charge based on a corporation tax rate of 20.04%	(9,023)
Deferred tax not recognised	9,023
	<u>0</u>
Tax charge for the period	-
	<u>-</u>

9 Trade and other receivables

	£
Loan due from parent undertaking	3,968,472
	<u>3,968,472</u>

The loan to the parent undertaking is measured at amortised cost.

The loan to parent undertaking is due in over one year. The amount falls due in line with repayment of the current bonds issued (see note 10). The interest receivable mirrors the interest rate of the bonds at 9.75% and 9%.

SPARK ENERGY FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2016

10 Borrowings

	£
Bonds issued	3,975,904

Proceeds of £4m less transactions costs of £108,056 were initially recognised as a liability in respect of the two bond issues in the period. In line with the company's accounting policy, the bonds are subsequently measured at amortised cost using the effective interest method. This means that the transaction costs of £108,056 are amortised over the life of the bonds.

At both maturity dates the liability outstanding will equal the aggregate principal for both bonds, being £4m.

Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	£
Non-current liabilities	3,975,904

The conditions attached to these bonds are as follows;

Bond 1 (£2m principal)

- 9.75 percent fixed rate of interest over the life of the bond (11 percent from 16/09/2016)
- Interest paid quarterly in arrears
- Matures 16/09/2017 (Originally due for repayment 16/09/2016, but has been deferred post year end)
- Spark Energy Limited have provided an irrevocable guarantee of all obligations and liabilities of the company under the bonds.

Bond 2 (£2m principal)

- 9 percent fixed rate of interest over the life of the bond
- Interest paid quarterly in arrears
- Matures 29/07/2017
- Spark Energy Limited have provided an irrevocable guarantee of all obligations and liabilities of the company under the bonds.

11 Share capital

	£
Ordinary share capital	
<i>Issued and fully paid</i>	
12,500 of £1 each	12,500
<i>Issued and unpaid</i>	
37,500 of £1 each	37,500
	<u>50,000</u>

SPARK ENERGY FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2016

12 Controlling party

The ultimate parent company for the period ended 30 June 2016 is Spark Energy Limited, a company registered in Scotland. Spark Energy Limited prepares group financial statements and copies can be obtained from its registered office.

There is no ultimate controlling party.

13 Post Balance Sheet Events

On the 25 August 2016 the ultimate parent company changed from Spark Energy Limited to Spark Holdco Limited.

