

GLIDE UTILITIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

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GLIDE UTILITIES LIMITED

COMPANY INFORMATION

Directors	C Bates T J Pilcher	(Appointed 29 November 2021)
Company number	06194523	
Registered office	Alpha Tower Suffolk Street Queensway Birmingham United Kingdom B1 1TT	
Auditor	BDO LLP Bridgewater House Counterslip Bristol BS1 6BX	

GLIDE UTILITIES LIMITED

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GLIDE UTILITIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2022

The Directors present their Strategic Report together with the audited financial statements for the year ended 31 January 2022.

Principal Activities

The Company is part of a Group headed by Project Hawk Topco Limited ("the Group"). The Group is the leading provider of internet services, networking and utility reselling to its core markets:

- Student – student halls of residence and Houses of Multiple Occupancy ("HMOs")
- Residential – Build to Rent ("BTR") residential buildings
- Business – business and science parks, multi-tenanted offices, individual business premises

The Company's principal activity is the utilisation of proprietary software for utility supply and bill-splitting services to multi-tenanted houses within the Student market sector.

Business Review

Investors

Astatine Investment Partners ("Astatine"), formerly Alinda Capital Investment, hold the majority shareholding in the Group. Astatine is one of the world's most experienced infrastructure investment firms with depth of investing in the digital infrastructure space in the United States, Canada and Europe.

Covid-19

Throughout the financial period the Company was operating against the backdrop of the Covid-19 pandemic. The Company successfully implemented a Business Continuity Plan last financial year and have continued to undertake regular operational, financial and planning reviews to ensure our focus on maintaining quality of service and close relationships with our customers and suppliers.

Core Markets

Energy prices started to increase during the financial year, however we were hedged against the impact through to July 2022 via fixed price agreements with our suppliers. The volatility of wholesale prices continued to increase following year end and with the end of our existing contracts, energy suppliers are no longer willing to give fixed price books and this has had a detrimental effect on selling our bill splitting product and we have seen significant drop off in sign up volumes for the academic year starting Autumn 2022.

Products and Innovation

During the year investment has continued in our utility bill-splitting software to better integrate energy suppliers and therefore reducing overreliance on key utility suppliers. In addition, particular focus has been on enhancing the customer journey via an improved transfer service to better serve our end-users.

Employees

The Company's performance depends largely on its employees both in the field and the support centres. The Directors would like to thank the employees for their extraordinary efforts ensuring operational excellence and sustaining customer satisfaction.

Community

The Company supports a number of charities including Love Brum and KidsOut.

GLIDE UTILITIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

Key Financial highlights of the Company

The Company had seen some impact from Covid-19 this year as students in HMO's moved out during the pandemic. This was largely reversed during the year.

			Year Ended 31 Jan 2022	Year Ended 31 Jan 2021
			£000	£000
Revenue			22,021	25,040
Gross Profit			6,991	7,595
Gross Profit %			32%	30%

Revenue, Margins and Profitability

Revenues for the Company were £22.0m for the year ended 31 January 2022 (2021: £25.0m) demonstrating a 12% reduction on the prior year due to Covid-19 impacting a number of students occupying HMOs during the pandemic. Gross margin of the Company for the year ended 31 January 2022 was 32% (2021: 30%).

Principal Risks and Uncertainties

Management of the business and the execution of the Company's strategy are subject to a number of risks. These risks are reviewed by management and appropriate processes are in place to monitor and mitigate them. The key business risks which may affect the Company are set out below:

Competition and Market Conditions

The Company operates in competitive markets but continued development and investment in product development and first-class customer services.

The Company acts as a white label supplier for utility services and as such may be affected by fluctuations in wholesale energy prices. Following year end we have seen increasing volatility in the energy markets which has impacted prices.

Suppliers and Margins

Although over-reliance on key suppliers is minimal, there are a number of suppliers on which the Company's quality service and pricing depends. Margins have been impacted by the end of our existing supply agreements and the increase in the wholesale prices past the level of the price cap for domestic supply customers.

Credit Risk

The provision of bill splitting services to HMOs comes within inherent credit risk. To mitigate this risk the Company operates policies to ensure credit worthiness of new customers and protecting against future default via customer deposits and payment plans.

GLIDE UTILITIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

Future Developments

The Company continues to invest in our software products to drive process efficiencies in the business and improvements in the customer journey as well as exploring new ways in which our software can drive business opportunities.

Post Balance Sheet Events

Following global events, notably the war in Ukraine, management have conducted a detailed review of the trading of the Company. The extreme volatility in the gas and electricity energy markets resulting from war in Ukraine, has led to material changes to the outlook and forecasts of the Company in the period since year end on 31 January 2022.

Due to the excessive volatility in wholesale prices, energy suppliers are no longer willing to give fixed weekly price books and this has had a detrimental effect on selling our bill splitting product and we have seen significant drop off in sign up volumes for the academic year starting Autumn 2022.

In reviewing the forecasts, the directors are satisfied that the company, with Group support, will continue to operate on a solvent basis, and some right-sizing of the business will be required.

In applying the guidance issued by ICAEW, companies with year ends before 24 February 2022, any effects of the Ukraine war are a non-adjusting post balance sheet event.

On behalf of the board



.....
T J Pilcher
Director

Date: 11 November 2022

GLIDE UTILITIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2022

The directors present their annual report and financial statements for the year ended 31 January 2022.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

C Bates	(Appointed 29 November 2021)
T J Pilcher	
M B Braziel	(Appointed 26 February 2021 and resigned 29 November 2021)
Z Tindall-Doman	(Resigned 26 February 2021)

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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.

GLIDE UTILITIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....
T J Pilcher
Director

Date: 11 November 2022

GLIDE UTILITIES LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GLIDE UTILITIES 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 31 January 2022 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 Glide Utilities Limited ("the Company") for the year ended 31 January 2022 which comprise the statement of comprehensive income, the balance sheet, the 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.

Material uncertainty related to going concern

We draw your attention to note 1.2 of the Company's financial statements which explains that the timing of any recovery or stability in the energy sector due to the extreme volatility caused by external economic factors and the resulting effects on the forecast profitability of the Company, could impact the Directors' strategy and willingness to continue to invest in the Company and the Directors would then assess the intention to continue trading of the Company. As stated in note 1.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

GLIDE UTILITIES LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GLIDE UTILITIES LIMITED

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.

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.

GLIDE UTILITIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GLIDE UTILITIES LIMITED

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:

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These included but were not limited to compliance with the Companies Act 2006, UK GAAP and tax legislation;
- in addressing the risk of fraud, including the risk of management override of controls and the risk of fraud in revenue recognition, we performed journals testing based on a set of risk criteria and tested to supporting documentation. We tested the calculation of accrued income recognised at the year in respect of unbilled utilities supplied in the year. We also incorporated unpredictability procedures as part of our response to the risk of management override of controls;
- we agreed financial statement disclosures to supporting documentation;
- we made enquiries of management;
- we reviewed board minutes throughout the year;
- we remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

GLIDE UTILITIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GLIDE UTILITIES LIMITED

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:

Sarah Applegate

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Sarah Applegate (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Bristol, UK

11 November 2022

Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

GLIDE UTILITIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2022

	Notes	2022 £000	2021 £000
Turnover	3	22,021	25,040
Cost of sales		(15,030)	(17,445)
Gross profit		6,991	7,595
Administrative expenses		(4,848)	(5,744)
Other operating income		25	-
Profit before taxation		2,168	1,851
Tax on profit	7	(2,235)	(2,013)
Profit/(loss) for the financial year		(67)	(162)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

GLIDE UTILITIES LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2022

		2022		2021	
	Notes	£000	£000	£000	£000
Fixed assets					
Intangible assets	8		923		375
Tangible assets	9		131		211
			<u>1,054</u>		<u>586</u>
Current assets					
Debtors	10	18,214		16,201	
Cash at bank and in hand		<u>2,150</u>		<u>1,376</u>	
		20,364		17,577	
Creditors: amounts falling due within one year	11	<u>(7,006)</u>		<u>(5,951)</u>	
Net current assets			<u>13,358</u>		<u>11,626</u>
Total assets less current liabilities			14,412		12,212
Creditors: amounts falling due after more than one year	12		<u>(4,571)</u>		<u>(2,304)</u>
Net assets			<u>9,841</u>		<u>9,908</u>
Capital and reserves					
Called up share capital	13		1		1
Profit and loss reserves			<u>9,840</u>		<u>9,907</u>
Total equity			<u>9,841</u>		<u>9,908</u>

The financial statements were approved by the board of directors and authorised for issue on 11 November 2022 and are signed on its behalf by:



.....
T J Pilcher
Director

Company Registration No. 06194523

GLIDE UTILITIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2022

	Share capital	Profit and loss reserves	Total
	£000	£000	£000
Balance at 1 February 2020	1	10,069	10,070
Year ended 31 January 2021:			
Loss and total comprehensive income for the year	-	(162)	(162)
	<hr/>	<hr/>	<hr/>
Balance at 31 January 2021	1	9,907	9,908
Year ended 31 January 2022:			
Profit and total comprehensive income for the year	-	(67)	(67)
	<hr/>	<hr/>	<hr/>
Balance at 31 January 2022	<hr/> 1	<hr/> 9,840	<hr/> 9,841

GLIDE UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

Company information

Glide Utilities Limited ("the Company") is an energy and telecommunications company specialising in shared accommodation and supplying services to tenants, landlords, letting agents and property investors in the UK. The company is a private company limited by share capital and is incorporated and domiciled in the UK. The address of its registered office is Alpha Tower, Suffolk Street, Queensway, Birmingham B1 1TT.

1.1 Accounting convention

Statement of compliance

The individual financial statements of the company 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, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

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 periods presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis in accordance with the historical cost convention and with the applicable accounting standards in the United Kingdom and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed at the end of note 3.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Company disclosure exemptions

In preparing the separate financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cashflow statement has been presented for the company.
- The requirements of Section 11 Financial instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c)
- The requirements of Section 12 Financial instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A

This information is included in the consolidated financial statements of Hawk Bidco Limited.

The company has taken advantage of the exemption granted under FRS 102 paragraph 1.12 (e) to not disclose transactions with other group companies where they are wholly owned by a common parent entity.

GLIDE UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

1.2 Going concern

Due to global events after the year end, notably the war in Ukraine, management have conducted a subsequent detailed review of the trading of the Company. As a result of the extreme volatility in the gas and electricity energy markets resulting from the conflict, there have been material changes to the outlook and forecasts of the Company in the period since the year ended 31 January 2022.

As a result of the conflict, there is excessive volatility in wholesale prices, and energy suppliers are no longer willing to give fixed weekly price books which has had a detrimental effect on selling the Company's bill splitting product and we have seen significant drop off in sign up volumes for the academic year starting Autumn 2022.

The financial statements have been prepared on the going concern basis, which assumes that the Company will have sufficient working capital facilities to enable it to continue in business for the foreseeable future. In reaching this conclusion, the directors have considered the financial forecasts of the company prepared until 31 January 2024 and the availability of support from the Parent Company for any further funds required by the Company and have confirmed that the amounts due to the Parent Company or fellow subsidiaries, totalling £4,571,000 (2021 - £2,304,000) will not be called upon for a period of at least 12 months from approval of these financial statements unless the Company has the facility within its cash flow to do so.

Due to the extreme market volatility caused by the external economic factors discussed above, there is a material uncertainty around the timing of any recovery or stability in the energy sector, which means that the forecast profitability of the company may be impacted even after all mitigating steps have been taken to reduce cost. This could impact the Directors' strategy and willingness to continue to invest in the business and the Directors would then need to assess the intention to continue trading of the Company. Therefore, a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, in reviewing the forecasts, the directors have concluded that there is a reasonable expectation that the company, with the support of its Parent Company, will continue to operate on a solvent basis, although some right-sizing of the business will be required. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. The financial statements do not reflect the

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services attributable to distributing, trading and provision of utilities and telecommunications during the year, exclusive of Value Added Tax.

Turnover is recognised in the period that the service was provided. Where payment plans are billed in advance the billed amounts are recorded as trade debtors and revenue is deferred within accruals and deferred income until earned.

1.4 Intangible fixed assets other than goodwill

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years, on a straight line basis. The amortisation expense is classified within administrative expenses.

Where factors, such as technological advancement or changes in market price, indicate that residual value of useful life has changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

GLIDE UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	33%-67% straight line
Computer equipment	33% straight line

The depreciation expense is classified within administrative expenses.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised as a profit/loss on disposal.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.8 Financial instruments

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

Basic financial assets

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies 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 receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

GLIDE UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

Other financial assets

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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 profit or loss.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies 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 receipts discounted at a market rate of interest.

Other financial liabilities

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

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

1.10 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

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 on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

1.11 Pension costs

Contributions to the group's defined contribution scheme are charged to the profit and loss account in the year in which they become payable.

GLIDE UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

1.12 Leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Turnover

Turnover includes an estimate of revenue earned in the period which remained unbilled at the end of the period.

Doubtful debts

Provisions are made against Glide's trade receivables based on historical experience of levels of recovery from accounts in a particular ageing category. The actual amounts collected could differ from the estimated level of recovery which could impact operating results.

3 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company and all turnover is generated within the United Kingdom.

4 Operating profit

	2022	2021
	£000	£000
Operating profit for the year is stated after charging:		
Non-trading costs	115	330
Pension expense	41	39
Fees payable to the company's auditor for the audit of the company's financial statements	26	20
Depreciation of owned tangible fixed assets	126	147
Impairment of trade receivables	580	749
Amortisation of intangible assets	292	196
Operating leases- land and buildings	168	144
Operating leases- other	61	31

GLIDE UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2022 Number	2021 Number
80	88

Their aggregate remuneration comprised:

	2022 £000	2021 £000
Wages and salaries	2,176	2,003
Social security costs	255	210
Pension costs	41	39
	<u>2,472</u>	<u>2,252</u>

6 Directors' remuneration

The directors did not receive emoluments from the company (2021: none). The directors' emoluments are incurred and disclosed in the parent company financial statements. Key management personnel are deemed to only be the directors for the company.

There was no pension commitment outstanding at the year end.

7 Taxation

	2022 £000	2021 £000
Current tax		
UK corporation tax on profits for the current period	2,281	2,010
Adjustments in respect of prior periods	26	
	<u>2,307</u>	<u>2,010</u>
Deferred tax		
Origination and reversal of timing differences	(28)	3
Adjustments in respect of prior periods	(34)	
Effect of tax rate change on opening balance	(10)	
	<u>(72)</u>	<u>3</u>
Total tax charge	<u>2,235</u>	<u>2,013</u>

GLIDE UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

7 Taxation

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £000	2021 £000
Profit before taxation	2,168	1,851
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	412	352
Tax effect of expenses that are not deductible in determining taxable profit	5	32
Group relief claimed	(433)	(387)
Research and development tax credit	(5)	(20)
Payment for group relief	2,281	2,036
Adjustment in charge in respect of prior periods – corporation tax	26	-
Adjustment in charge in respect of prior periods – deferred tax	(34)	-
Remeasurement of deferred tax for changes in tax rates	(17)	-
Taxation charge for the year	2,235	2,013

8 Intangible fixed assets

	Intangibles £000
Cost	
At 1 February 2021	1,134
Additions	840
At 31 January 2022	1,974
Amortisation and impairment	
At 1 February 2021	759
Amortisation charged for the year	292
At 31 January 2022	1,051
Carrying amount	
At 31 January 2022	923
At 31 January 2021	375

GLIDE UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

9 Tangible fixed assets

	Tangibles
	£000
Cost	
At 1 February 2021	1,581
Additions	46
	<u>1,627</u>
At 31 January 2022	1,627
Depreciation and impairment	
At 1 February 2021	1,370
Depreciation charged in the year	126
	<u>1,496</u>
At 31 January 2022	1,496
Carrying amount	
At 31 January 2022	131
	<u>131</u>
At 31 January 2021	211
	<u>211</u>

Our depreciation policies are reviewed on an annual basis against the background of changing technological and competitive developments. Office equipment contains some specialist items that are depreciated at 67%.

10 Debtors

	2022	2021
	£000	£000
Amounts falling due within one year:		
Trade debtors	6,273	4,997
Corporation tax recoverable	-	45
Deferred tax asset	72	1
Prepayments and accrued income	2,098	1,678
	<u>8,443</u>	<u>6,721</u>
	8,443	6,721
Amounts falling due after more than one year:		
	2022	2021
	£000	£000
Amounts owed by group undertakings	9,771	9,480
	<u>9,771</u>	<u>9,480</u>
Total debtors	18,214	16,201
	<u>18,214</u>	<u>16,201</u>

All amounts owed by group undertakings are unsecured. Amounts owed by group undertakings due after more than one year are interest free.

GLIDE UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

11 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	5,159	3,978
Taxation and social security	38	318
Other creditors	1,289	1,040
Accruals and deferred income	518	615
Corporation tax liability	2	-
	<u>7,006</u>	<u>5,951</u>

12 Creditors: amounts falling due after more than one year

	2022 £000	2021 £000
Amounts owed to group undertakings	<u>4,571</u>	<u>2,304</u>

All amounts owed to group undertakings are unsecured and interest free.

13 Pensions

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £41,000 (2021: £39,000). Contributions amounting to £7,000 (2021: £8,000) were payable to the fund and are included in creditors.

14 Share capital

	2022 Number	2021 Number	2022 £000	2021 £000
Ordinary share capital				
Issued and fully paid				
660 A Ordinary shares of £1 each	660	660	1	1
540 B Ordinary shares of £1 each	540	540	1	1
	<u>1,200</u>	<u>1,200</u>	<u>1</u>	<u>1</u>

A and B ordinary shares have equal voting rights and rank pari-passu.

15 Financial commitments, guarantees and contingent liabilities

The company has guaranteed bank borrowings of other companies in the Glide Group. At the year end the liabilities covered by these guarantees totalled £108,500,000 (2021 - £102,000,000)

GLIDE UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

16 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £000	2021 £000
Within one year	112	154
Between two and five years	493	500
In over five years	-	79
	<u>605</u>	<u>733</u>

17 Ultimate controlling party

The company's immediate parent company is Glide 2 Limited, a company incorporated in England and Wales.

The company's ultimate parent company is Project Hawk Topco Limited, a company incorporated in Jersey.

The largest group in which the results of the company are consolidated is that headed by Hawk Bidco Limited which is incorporated in England and Wales. The smallest group in which the result of the company are consolidated is that headed by Gibson Midco Limited which is incorporated in England and Wales. The consolidated financial statements of this company are available to the public and may be obtained from the registered office.