

Registration number: 08370340

The Electric Highway Company Limited

Directors' Report and Financial Statements

for the Year Ended 30 April 2020



The Electric Highway Company Limited

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The Electric Highway Company Limited

Company Information

Directors	Dale Vince Asif Rehmanwala Tom Cowling Simon Crowfoot
Registered office	Lion House Rowcroft Stroud Gloucestershire GL5 3BY
Auditor	Grant Thornton UK LLP Chartered Accountants 2 Glass Wharf Bristol BS2 0EL

The Electric Highway Company Limited

Directors' Report for the Year Ended 30 April 2020

The Directors present their report and the financial statements for the year ended 30 April 2020.

Principal activities

The principal activity of the Company is the provision of electricity used to charge vehicles from the Electric Highway chargepoints.

Directors of the Company

The Directors who held office during the year were as follows:

Dale Vince

Asif Rehmanwala

Tom Cowling (appointed 9 September 2019)

Simon Crowfoot

Dividends

The Directors do not recommend a dividend to be paid (2019: £Nil).

Going concern

Notwithstanding net current liabilities of £6,885,709 and net liabilities of £6,103,331 the Directors have prepared the financial statements on the going concern basis because the majority of current liabilities are owed to fellow Group companies, and the Directors have received confirmation of financial support from the ultimate parent undertaking.

The directors have obtained forecasts for the group, and these demonstrate the group will generate sufficient cashflows to provide such support for at least the next 12 months. However the uncertainty as to the future impact on the Group of the Covid-19 crisis have been considered, and the Board have considered an assessment on the availability of support in the event of certain sensitivities such as a significant deterioration in performance for the group or access to funding. The directors recognise that current events due to the Covid-19 crisis are unprecedented and present a material uncertainty to the wider economy and, therefore, the Group's ability to provide the required support. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Disclosure of information to the auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to be taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Reappointment of auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

Small companies provision statement

The Company has taken advantage of the small companies exemption in section 414B from the requirement to prepare a Strategic Report.

Approved by the Board on 20 August 2020 and signed on its behalf by:

The Electric Highway Company Limited

Directors' Report for the Year Ended 30 April 2020



.....
Dale Vince
Director

Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.

The Electric Highway Company Limited

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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.

The Electric Highway Company Limited

Independent Auditor's Report to the Members of The Electric Highway Company Limited

Opinion

We have audited the financial statements of The Electric Highway Company Limited (the 'company') for the year ended 30 April 2020, which comprise the Profit and Loss Account, the Statement of Other 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2020 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.

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

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's and the parent company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's and the parent company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group and a parent company associated with a course of action such as Brexit.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates the impact of COVID-19 on the company's business. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

The Electric Highway Company Limited

Independent Auditor's Report to the Members of The Electric Highway Company Limited

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 directors' report.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

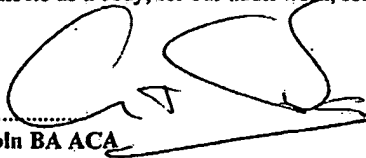
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The Electric Highway Company Limited

Independent Auditor's Report to the Members of The Electric Highway Company 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.



.....
Timothy Lincoln BA ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

Bristol

20 August 2020

The Electric Highway Company Limited

Profit and Loss Account for the Year Ended 30 April 2020

	Note	2020 £	2019 £
Turnover	3	753,921	575,973
Cost of sales		<u>(534,577)</u>	<u>(424,344)</u>
Gross profit		219,344	151,629
Administrative expenses		(1,310,963)	(1,289,943)
Other operating income		<u>7,345</u>	<u>33,273</u>
Operating loss	4	<u>(1,084,274)</u>	<u>(1,105,041)</u>
Loss before taxation		(1,084,274)	(1,105,041)
Taxation	8	<u>(143,788)</u>	<u>14,772</u>
Loss for the financial year		<u><u>(1,228,062)</u></u>	<u><u>(1,090,269)</u></u>

The notes on pages 12 to 21 form an integral part of these financial statements.

The Electric Highway Company Limited

Statement of Other Comprehensive Income for the Year Ended 30 April 2020

	Note	2020 £	2019 £
Loss for the year		(1,228,062)	(1,090,269)
Other comprehensive income for the year, net of income tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>(1,228,062)</u></u>	<u><u>(1,090,269)</u></u>

The Electric Highway Company Limited

(Registration number: 08370340)

Balance Sheet as at 30 April 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	9	782,378	408,846
Current assets			
Debtors	10	639,552	326,717
Cash at bank and in hand	11	<u>1,815</u>	<u>79,376</u>
		641,367	406,093
Creditors: Amounts falling due within one year	12	<u>(7,527,076)</u>	<u>(5,690,208)</u>
Net current liabilities		<u>(6,885,709)</u>	<u>(5,284,115)</u>
Net liabilities		<u>(6,103,331)</u>	<u>(4,875,269)</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account		<u>(6,103,431)</u>	<u>(4,875,369)</u>
Total equity		<u>(6,103,331)</u>	<u>(4,875,269)</u>

Approved and authorised by the Board on 20 August 2020 and signed on its behalf by:


Dale Vince

Director

Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.

The notes on pages 12 to 21 form an integral part of these financial statements.

The Electric Highway Company Limited

Statement of Changes in Equity for the Year Ended 30 April 2020

	Share capital £	Profit and loss account £	Total £
At 1 May 2019	100	(4,875,369)	(4,875,269)
Loss for the year	-	(1,228,062)	(1,228,062)
At 30 April 2020	<u>100</u>	<u>(6,103,431)</u>	<u>(6,103,331)</u>

	Share capital £	Profit and loss account £	Total £
At 1 May 2018 (as restated)	100	(3,785,100)	(3,785,000)
Loss for the year	-	(1,090,269)	(1,090,269)
At 30 April 2019	<u>100</u>	<u>(4,875,369)</u>	<u>(4,875,269)</u>

The notes on pages 12 to 21 form an integral part of these financial statements.

The Electric Highway Company Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

1 General information

The company is a private company limited by share capital incorporated in the UK. The presentation currency of these financial statements is sterling.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

Basis of preparation

These financial statements have been prepared using the historical cost convention.

Name of parent of group

These financial statements are consolidated in the financial statements of the company's ultimate parent undertaking, Ecotricity Group Limited.

The financial statements of Ecotricity Group Limited may be obtained from Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.

In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.

Going concern

Notwithstanding net current liabilities of £6,885,709 and net liabilities of £6,103,331 the Directors have prepared the financial statements on the going concern basis because the majority of current liabilities are owed to fellow Group companies, and the Directors have received confirmation of financial support from the ultimate parent undertaking.

The Directors have obtained forecasts for the group, and these demonstrate the group will generate sufficient cashflows to provide such support for at least the next 12 months. However the uncertainty as to the future impact on the Group of the Covid-19 crisis have been considered, and the Board have considered an assessment on the availability of support in the event of certain sensitivities such as a significant deterioration in performance for the group or access to funding. The Directors recognise that current events due to the Covid-19 crisis are unprecedented and present a material uncertainty to the wider economy and, therefore, the Group's ability to provide the required support. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Electric Highway Company Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

2 Accounting policies (continued)

Turnover

Turnover derives from charging customers for the electricity used to charge vehicles from the Electric Highway chargepoints. Turnover is shown net of value added tax, returns, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the power is supplied.

Interest receivable and charges payable

Interest income and interest payable are recognised in the profit and loss as they accrue on funds invested or borrowed, using the effective interest method.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities and other future taxable profits.

Tangible assets

Tangible assets are stated at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Assets under construction, which relate to chargepoint developments, are not depreciated until they are ready for use and transferred into plant and machinery at the end of their development.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

At the end of each financial period, the Company assesses whether tangible fixed assets are impaired.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Plant and machinery

Depreciation method and rate

4-15 years on a straight line basis.

The Electric Highway Company Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

2 Accounting policies (continued)

Impairment of non-financial assets

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. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss, except to the extent that they reverse any previously recognised valuation increase accumulated in equity in respect of that asset; any excess is recognised in profit and loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors 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 the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Share capital

Ordinary shares are classified as equity as they include no contractual obligations upon the Company. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension scheme

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which the services are rendered by employees.

The Electric Highway Company Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

3 Turnover

The analysis of the company's turnover for the year is as follows:

	2020 £	2019 £
Sale of electricity	<u>753,921</u>	<u>575,973</u>

4 Operating loss

Included in the loss are the following:

	2020 £	2019 £
Depreciation expense	<u>112,756</u>	<u>144,434</u>

5 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Wages and salaries	259,783	209,188
Social security costs	24,795	20,677
Pension costs, defined contribution scheme	<u>14,999</u>	<u>12,288</u>
	<u>299,577</u>	<u>242,153</u>

These costs represent a management recharge as all employees are contractually employed by the ultimate parent company Ecotricity Group Limited.

The average number of persons employed by the Company was as follows:

	2020 No.	2019 No.
Administration and support	<u>7</u>	<u>7</u>

6 Directors' remuneration

The remuneration of Directors was borne by the ultimate parent company Ecotricity Group Limited in both years, and amounts attributable to qualifying services provided to the Company are approximately £9,018 (2019: £5,516).

The Electric Highway Company Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

7 Auditor's remuneration

	2020 £	2019 £
Audit of the financial statements	<u>20,000</u>	<u>5,000</u>

Amounts receivable by the Company's auditor and their associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed for the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Ecotricity Group Limited.

8 Taxation

Tax charged/(credited) in the profit and loss account, other comprehensive income and equity:

	2020 £	2019 £
Current taxation		
UK corporation tax	-	-
	-	-
Total current income tax	-	-
Deferred taxation		
Origination and reversal of timing differences	160,704	(15,178)
Effect of change in tax rate on deferred tax balances	(16,916)	-
Adjustments in respect of prior periods	-	406
Total deferred taxation	<u>143,788</u>	<u>(14,772)</u>
Total tax charge / (credit)	<u>143,788</u>	<u>(14,772)</u>

The Electric Highway Company Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

8 Taxation (continued)

	2020			2019		
	Current Tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
	£	£	£	£	£	£
Taxation						
Recognised in profit and loss account	-	143,788	143,788	-	(14,772)	(14,772)

The tax on loss for the year is higher than the standard rate of corporation tax in the UK (2019: lower than the standard rate of corporation tax in the UK) of 19% (2019: 19%).

The differences are reconciled below:

	2020 £	2019 £
Loss before tax	(1,084,274)	(1,105,041)
Tax using the UK corporation tax rate of 19% (2019: 19%)	(206,012)	(209,958)
Effect of expense not deductible in determining taxable profit	380	211
Reduction of tax rate on deferred tax balances	(60,115)	22,079
Increase (decrease) from tax losses for which no deferred tax asset was recognised	285,247	172,490
Fixed asset differences	124,288	-
Other differences	-	406
Total tax charge/(credit)	143,788	(14,772)

From 1 April 2015, the main rate of corporation tax was reduced to 20%. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. A subsequent rate increase to 19% (effective 1 April 2020) was enacted on 11 March 2020.

The Electric Highway Company Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

9 Tangible assets

	Plant and machinery £	Assets under construction £	Total £
Cost			
At 1 May 2019	1,737,411	53,716	1,791,127
Additions	-	486,288	486,288
Transfers	147,715	(147,715)	-
At 30 April 2020	<u>1,885,126</u>	<u>392,289</u>	<u>2,277,415</u>
Depreciation			
At 1 May 2019	1,382,281	-	1,382,281
Charge for the year	112,756	-	112,756
At 30 April 2020	<u>1,495,037</u>	<u>-</u>	<u>1,495,037</u>
Carrying amount			
At 30 April 2020	<u>390,089</u>	<u>392,289</u>	<u>782,378</u>
At 30 April 2019	<u>355,130</u>	<u>53,716</u>	<u>408,846</u>

10 Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	-	84,933
Amounts owed by group undertakings	377,971	7,814
Other debtors	197,998	23,015
Prepayments	63,583	67,167
Deferred tax assets	-	143,788
	<u>639,552</u>	<u>326,717</u>

11 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>1,815</u>	<u>79,376</u>

The Electric Highway Company Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

12 Creditors

	2020 £	2019 £
Due within one year		
Trade creditors	19,965	61,312
Amounts due to group undertakings	7,213,900	5,397,602
Other payables	7,205	-
Accrued expenses and deferred income	286,006	231,294
	<u>7,527,076</u>	<u>5,690,208</u>

13 Deferred tax

Analysis of deferred tax

	2020 £	2019 £
Accelerated capital allowances	-	143,788

14 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £14,999 (2019: £12,288).

Contributions totalling £954 (2019: £1,242) were payable to the scheme at the end of the year and are included in creditors.

15 Capital and reserves

Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The Electric Highway Company Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

16 Contingent liabilities

The Company has an obligation to make good of the land where the charge points are situated. The present value of the obligation is estimated to be £379,339.

There is an uncertainty as to whether these obligations will be required to be fulfilled because even if a contract expires it is likely that the underlying electric vehicle charging infrastructure will be retained. It is unlikely that with the regulation and technological improvements supporting the growth of electric vehicles that the service stations will not want some form of electric vehicle charging.

Additionally, where the company owns the grid infrastructure relating to the charge point locations there is a strong possibility that the proceeds from the sale of the infrastructure will exceed the costs with making good the land.

17 Related party transactions

The Company has taken advantage of the exemptions contained in FRS 102.33 and has not disclosed transactions or balances with wholly owned subsidiaries which form part of the Group.

Summary of transactions with not wholly owned Group companies

The following other transactions took place between the Company and non-wholly owned subsidiaries but still under control of the ultimate parent company, Ecotricity Group Limited.

	Debtors outstanding		Creditors outstanding	
	2020	2019	2020	2019
	£	£	£	£
Parent company	147,264	-	639,083	56,466
Other Group undertakings	230,707	7,814	6,574,817	5,341,136
	<u>377,971</u>	<u>7,814</u>	<u>7,213,900</u>	<u>5,397,602</u>

With the exception of the below transactions, all transactions with non-wholly owned subsidiaries were financing transactions rather than the sale or purchase of goods or services.

	Recharges to		Costs incurred	
	2020	2019	2020	2019
	£	£	£	£
Parent company	-	-	77,870	71,879
Other Group undertakings	<u>73,237</u>	<u>69,738</u>	<u>3,825</u>	<u>-</u>

The Electric Highway Company Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

18 Accounting estimates and judgements

In the application of the Company's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources.

- **Impairment to tangible fixed assets**

On an annual basis the Directors assesses whether the Company's tangible fixed assets are impaired. When assessing for impairment the Directors take into account the condition and usage of the assets.

- **Useful economic life of tangible fixed assets**

The Directors are required to estimate the useful economic life of tangible fixed assets. The Directors consider the warranty periods offered by manufacturers, operational experience and other factors in order to build this expectation.

- **Recoverability of deferred tax asset**

The deferred tax asset has been recognised as it is deemed that it is not probable that it is going to be recoverable in the near future.

- **Obligation to make good of the land**

The Company has recognised a contingent liability in relation to the obligation to make good of the land should the infrastructure require to be removed. It is judged that the requirement to fulfill this obligation is improbable because even if a contract expires it is likely that the underlying electric vehicle charging infrastructure will be retained. It is unlikely that with the regulation and technological improvements supporting the growth of electric vehicles that the service stations will not want some form of electric vehicle charging.

19 Ultimate parent undertaking and controlling party

The Company's immediate and ultimate parent undertaking is Ecotricity Group Limited, a Company incorporated in England and Wales. The ultimate controlling party of the Company is D Vince, the only shareholder of Ecotricity Group Limited.

The largest Group in which the results of the Company are consolidated is that headed by Ecotricity Group Limited. No other financial statements include the results of the Company. Consolidated financial statements may be obtained from Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.