

UPBO International Holding Limited

Report and Financial Statements

Period Ended

31 December 2016

Company Number 08729082



UPBO International Holding Limited

Report and financial statements for the period ended 31 December 2016

Contents

Page:

| | |
|----|---|
| 1 | Strategic report |
| 3 | Report of the director |
| 5 | Independent auditor's report |
| 7 | Consolidated statement of profit or loss and other comprehensive income |
| 8 | Consolidated statement of financial position |
| 9 | Consolidated statement of changes in equity |
| 10 | Consolidated statement of cash flows |
| 11 | Company statement of financial position |
| 12 | Company statement of changes in equity |
| 13 | Notes forming part of the financial statements |

Director

M Ben-Moshe

Registered office

54 Hagley Road, Birmingham, B16 8PE

Company number

08729082

Auditors

BDO LLP, Two Snowhill, Birmingham, B4 6GA

UPBO International Holding Limited

Strategic report for the period ended 31 December 2016

The director presents his strategic report together with the audited financial statements for the period ended 31 December 2016.

Business review

The principal activity of the Group during the period was to provide gas supply (supply and transportation using gas shipper licence) and support services to a related party, Extra Energy Supply Limited, through its only trading subsidiary Utility Professional Business Operations Limited. All costs incurred by the Group during the period were incurred on behalf of Extra Energy Supply Limited and were fully recharged to that company resulting in revenue and costs of £46.8 million.

Future developments

The director expects that the Group will continue to provide gas supply and support services to Extra Energy Supply Limited and to recharge all costs incurred. As Extra Energy Supply Limited continues to expand the director expects an increase in underlying activity in 2017 and subsequent years.

Principal risks and uncertainties

The Company owns a license to supply and ship gas and the major risk is considered to be operating within the terms of the license. There have been no breaches of license terms during the period and the director is not aware of any license or other regulatory issues that might impact the company.

Financing, cash-flow and going concern

Funding for the Group is provided through the recharging of costs to Extra Energy Supply Limited and this Group provides any necessary short-term funding if required in advance of the recharging of costs. As a result of the relationship with Extra Energy Supply Limited the director is satisfied that the company has access to sufficient funding to continue trading and to pay its creditors as they fall due for payment for at least the 12 months following the date of signing this report and accounts. The director notes that Extra Energy Supply Limited has a significant funding arrangement with another related party (Extra Energie GmbH) that has been successfully operating as an energy supplier in Germany for some years. The director is also a director of Extra Energy Supply Limited and Extra Energie GmbH.

Employee engagement

The Group encourages employee involvement throughout the organisation. The Group holds regular Group wide briefings where the latest information is shared, including financial and operational factors that affect the performance of the company.

Employee performance and development is reviewed on a semi-annual basis and ensured it is in line with the overall Group's objectives.

One of the Group's core values is treating people fairly, giving equal opportunities to all employees and applicants. The Group ensures all employees get the same chances for training, development and career progression depending on their performance, including any disabled employees. If an employee becomes disabled whilst in employment, the Group will make every effort to give the employee suitable responsibilities with reasonable adjustments in their current role. Where this is not possible, the Group will try to find the employee another role within the group.

UPBO International Holding Limited

**Strategic report
for the period ended 31 December 2016 (continued)**

Financial key performance indicators

The nature of the company operations means that all costs incurred are fully recharged, so there are no financial key performance indicators.

Financial risk management policy

The directors have reviewed the financial risk management objectives and policies of the group and, where there is significant exposure to financial risks, the group has adopted risk management policies that seek to mitigate these risks in a cost effective manner. It does not enter into any speculative financial instruments. Appropriate trade terms are negotiated with suppliers and customers, management review these terms and the trade relationship on a regular basis.

Financial instruments

The Group's principal financial instruments comprise cash and balances with group undertakings and various items such as receivables and trade creditors that arise directly from its operations.

The main risk associated the Group's financial assets and liabilities are set out below.

Credit risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. The Group performs ongoing credit evaluations and has implemented policies that require appropriate credit checks, monitoring of accounts and prompt collection.

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient liquid assets to meet its obligations as they fall due. The funding for the Group is provided through the recharging of costs to Extra Energy Supply Limited and this Company also provides any necessary short-term funding if required in advance of the recharging of costs.

On behalf of the board



**M Ben-Moshe
Director**

Date: 29 September 2017

UPBO International Holding Limited

Report of the director for the period ended 31 December 2016

The director presents his report together with the Financial Statements of the company for the period ended 31 December 2016.

Principal activity

Principal activities are detailed in the Strategic report on page 1.

Results

The loss before tax for the period/year amounted to £9,000 (31 October 2015 loss - £1,000) from a turnover of £46.8m (31 October 2015 - £36.7m).

Dividends

During the period no dividends were paid to shareholders. The director does not recommend the payment of a final dividend.

Future developments

Future developments are detailed within the Strategic report on page 1.

Director

M Ben-Moshe held office during the whole of the period to the date of this report.

Director's responsibilities

The director is responsible for preparing the Report of the Director and the Financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial period. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

UPBO International Holding Limited

Report of the director for the period ended 31 December 2016 (continued)

Auditors

The current director has taken all the steps that he ought to have taken to make himself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the auditors are unaware. BDO LLP have expressed their willingness to continue in office.

Directors Indemnity

The Group has a qualifying third party indemnity policy in place for the benefit of the Director, which covered the reporting year and remains in place at the date of this report.

On behalf of the board



M Ben-Moshe
Director

Date: 29 September 2017

UPBO International Holding Limited

Independent auditor's report

To the member of UPBO International Holding Limited

We have audited the financial statements of UPBO International Holding Limited for the 14 months ended 31 December 2016 which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated and company statements of financial position, the consolidated statement of cash flows, the consolidated and company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

This report is made solely to the Company's member, 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 member those matters we are required to state to them in an Auditors' 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

As explained more fully in the Director's Responsibilities Statement, the director is 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Company's affairs as at 31 December 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 based on the work undertaken in the course of the audit:

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

UPBO International Holding Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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 and director's report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Thomas Lawton (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Birmingham
United Kingdom

Date: 

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

UPBO International Holding Limited

Consolidated statement of profit or loss and other comprehensive income for the period ended 31 December 2016

| | Note | 14 months ended 31 December 2016 £'000 | Year ended 31 October 2015 £'000 |
|--|------|--|---|
| Revenue | 3 | 46,778 | 36,733 |
| Cost of sales | | (46,782) | (36,740) |
| Gross loss | | (4) | (7) |
| Operating loss | 4 | (4) | (7) |
| Finance income | 6 | 10 | 7 |
| Finance expense | 6 | (14) | (1) |
| Loss on ordinary activities before taxation | | (8) | (1) |
| Tax expense | 7 | (1) | - |
| Loss on ordinary activities after taxation and total comprehensive income | | (9) | (1) |

All amounts relate to continuing activities.
The Group has no other comprehensive income for the period.

The notes on pages 13 to 23 form part of these financial statements.

UPBO International Holding Limited

Consolidated statement of financial position at 31 December 2016

| | Note | 31 December 2016 £'000 | 31 October 2015 £'000 |
|---|------|------------------------------|-----------------------------|
| Current assets | | | |
| Other receivables | 10 | 8,457 | 4,298 |
| Cash at bank and in hand | | 250 | 1,129 |
| Total assets | | 8,707 | 5,427 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 11 | (8,630) | (5,350) |
| | | (8,630) | (5,350) |
| Non-current liabilities | | | |
| Amounts due to related companies | 12 | (89) | (80) |
| Total liabilities | | (8,719) | (5,430) |
| Net liabilities | | (12) | (3) |
| Issued capital and reserves attributable to owners | | | |
| Share capital | | - | - |
| Retained earnings | | (12) | (3) |
| Total equity | | (12) | (3) |

The financial statements were approved and authorised for issue by the director on 29 September 2017.



M Ben-Moshe
Director

The notes on pages 13 to 23 form part of these financial statements.

UPBO International Holding Limited

Consolidated statement of changes in equity for the 14 month period ended 31 December 2016

| | Share capital £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---------------------------|-------------------------------|--------------------------|
| Balance at 1 November 2015 | - | (3) | (3) |
| Comprehensive income for the period: | | | |
| Profit for the period | - | (9) | (9) |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2016 | - | (12) | (12) |
| | <hr/> | <hr/> | <hr/> |

Consolidated statement of changes in equity for the year ended 31 October 2015

| | Share capital £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---------------------------|-------------------------------|--------------------------|
| Balance at 1 November 2014 | - | (2) | (2) |
| Comprehensive income for the year: | | | |
| Loss for the year | - | (1) | (1) |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 October 2015 | - | (3) | (3) |
| | <hr/> | <hr/> | <hr/> |

Share capital

Ordinary shares carry the right to one vote per share at general meetings of the Company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up. The subscribed capital consists of two shares with a nominal value of £1 each.

Retained Earnings

Represents all other net gains and losses and transactions with owners not recognised elsewhere within the financial statements.

The notes on pages 13 to 23 form part of these financial statements.

UPBO International Holding Limited

Consolidated statement of cash flows for the 14 month period ended 31 December 2016

| | Note | 14 months ended 31 December 2016 £'000 | Year ended 31 October 2015 £'000 |
|---|------|--|---|
| Cash flows from operating activities | | | |
| Profit / (Loss) for the period | | - | (1) |
| <i>Adjustments for:</i> | | | |
| Finance income | 6 | (10) | (7) |
| Finance expense | 6 | 14 | 1 |
| Income tax expense | 7 | 1 | - |
| | | <u>5</u> | <u>(7)</u> |
| (Increase) / decrease in trade and other receivables | 10 | (4,159) | 3,186 |
| Increase / (decrease) in trade and other payables | 11 | 3,271 | (2,164) |
| | | <u>(883)</u> | <u>1,015</u> |
| Cash (used) / generated from operations | | | |
| Income taxes paid | 7 | (1) | - |
| | | <u>(884)</u> | <u>1,015</u> |
| Net cash (outflow) / inflow from operating activities | | | |
| Investing activities | | | |
| Net interest received | | 5 | 6 |
| | | <u>5</u> | <u>6</u> |
| Net cash received from investing activities | | | |
| Net (decrease) / increase in cash and cash equivalents | | (879) | 1,021 |
| Cash and cash equivalents at beginning of period | | 1,129 | 108 |
| | | <u>250</u> | <u>1,129</u> |
| Cash and cash equivalents at end of period | | | |

The notes on pages 13 to 23 form part of these financial statements.

UPBO International Holding Limited

Company statement of financial position at 31 December 2016

| | Note | 31 December 2016 £'000 | 31 October 2015 £'000 |
|---|------|------------------------------|-----------------------------|
| Assets | | | |
| Non-current assets | | | |
| Investments | 9 | 17 | 17 |
| Total assets | | <u>17</u> | <u>17</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 11 | (20) | (20) |
| Total liabilities | | <u>(20)</u> | <u>(20)</u> |
| Net liabilities | | <u>(3)</u> | <u>(3)</u> |
| Issued capital and reserves attributable to owners | | | |
| Share capital | | - | - |
| Retained earnings | | (3) | (3) |
| Total equity | | <u>(3)</u> | <u>(3)</u> |

Parent company profit after tax for the period / year was £Nil (2015: £1,000 loss).

The financial statements were approved and authorised for issue by the director on



M Ben-Moshe
Director

The notes on pages 13 to 23 form part of these financial statements.

UPBO International Holding Limited

Company statement of changes in equity for the 14 month period ended 31 December 2016

| | Share capital £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---------------------------|-------------------------------|--------------------------|
| Balance at 1 November 2015 | - | (3) | (3) |
| Comprehensive income for the period: | | | |
| Profit for the period | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2016 | - | (3) | (3) |
| | <hr/> | <hr/> | <hr/> |

Company statement of changes in equity for the year ended 31 October 2015

| | Share capital £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---------------------------|-------------------------------|--------------------------|
| Balance at 1 November 2014 | - | (2) | (2) |
| Comprehensive income for the year: | | | |
| Loss for the year | - | (1) | (1) |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 October 2015 | - | (3) | (3) |
| | <hr/> | <hr/> | <hr/> |

Share capital

Ordinary shares carry the right to one vote per share at general meetings of the Company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up. The subscribed capital consists of two shares with a nominal value of £1 each.

Retained Earnings

Represents all other net gains and losses and transactions with owners not recognised elsewhere within the financial statements.

The notes on pages 13 to 23 form part of these financial statements.

UPBO International Holding Limited

Notes forming part of the financial statements for the period ended 31 December 2016

1 Accounting policies

Basis of preparation

UPBO International Holding Limited is a Group incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Group's operations and its principal activities are set out in the Strategic Report. The financial statements have been prepared in accordance with accordance with International Financial Reporting Standards, International Accounting Standards ('IAS') and Interpretations (collectively 'IFRS'), as endorsed for use in the EU.

The preparation of the financial information under IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. All amounts in the financial information are shown in Thousands of Pound Sterling unless otherwise stated.

The financial information has been prepared on a going concern basis using the historical cost convention.

All amounts in the financial information are shown in thousands of pound sterling unless otherwise stated.

The financial information for the current year covers the financial 14 month period from 1 November 2015 to 31 December 2016. The prior year of account was 1 November 2014 to 31 October 2015.

The principal accounting policies adopted in the preparation of the financial statements are set out below:

Going concern

Funding for the Group is provided through the recharging of costs to Extra Energy Supply Limited and this company also provides any necessary short-term funding if required in advance of the recharging of costs. As a result of the relationship with Extra Energy Supply Limited the director is satisfied that the Group has access to sufficient funding to continue trading and to pay its creditors as they fall due for payment for at least the 12 months following the date of signing this report and accounts. The director notes that Extra Energy Supply Limited has a significant funding arrangement with another related party (ExtraEnergie GmbH) that has been successfully operating as an energy supplier in Germany for some years. The director is also a director of Extra Energy Supply Limited and ExtraEnergie GmbH.

Basis of consolidation

The financial statements consolidate the accounts of UPBO International Holding Limited and all of its subsidiary undertakings ('subsidiaries') using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition. Where merger accounting is used, subsidiary undertakings are treated as if they had always been a member of the group. Any difference between the nominal value of the shares acquired by the company and those issued by the company to acquire them is taken to a separate merger reserve.

UPBO International Holding Limited

Notes forming part of the revised financial statements for the period ended 31 December 2016 (*continued*)

1 Accounting policies (*continued*)

Standards, amendments and interpretations effective or adopted in 2016

From 1 January 2016, the following standards and amendment are effective in the Financial Statements.

Their first time adoption does not have a material impact on the Financial Statements:

- Amendment to IAS 1: 'Presentation of financial statements' related to the disclosure initiative;
- Amendment to IAS 16: 'Property, plant and equipment' and IAS 38: 'Intangible assets' related to the clarification of acceptable methods of depreciation and amortisation;
- 'Annual Improvement Project 2010-2012'; and
- 'Annual Improvement Project 2012-2014'.

Standards, interpretations and amendments to published standards that are not yet effective

The following new standards, amendments and interpretations have been issued and endorsed by the EU but are not yet effective and therefore have not been adopted in these financial statements. Management are considering the impact of the changes on future reporting.

- IFRS 9 Financial Instruments (effective 1 January 2018);
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018);

Management has established and progressed separate projects to oversee the implementation of both standards but a detailed and complete quantitative assessment of the impact upon transition has not been finalised yet.

The following standards and amendments are not yet effective in the Financial Statements and have not yet been endorsed by the EU:

- Amendment to IAS 7: 'Statement of cash flows' related to the disclosure initiative (effective 1 January 2017);
- Amendment to IAS 12: 'Income taxes' (effective 1 January 2017);
- Amendment to IFRS 2: 'Classification and measurement of share-based payment transactions' (effective 1 January 2018);
- Amendment to IFRS 15: 'Revenue from contracts with customers' clarifications (effective 1 January 2018);
- IFRS 16: 'Leases' (effective 1 January 2019);
- 'Annual Improvement Project 2014-2016' (effective 1 January 2017 and 1 January 2018 depending on amendments to different standards); and
- IFRIC Interpretation 22: 'Foreign currency transactions and advance consideration' (effective 1 January 2018).

Management does not anticipate that the application of the amendments to IAS 7, IAS 12, IFRS 2, IFRS 16, IFRIC 22 and the 'Annual Improvement Project 2014-2016' will have a material impact on the amounts reported and disclosed. The clarification of IFRS 15 will be considered as part of the wider IFRS 15 project.

UPBO International Holding Limited

Notes forming part of the revised financial statements for the period ended 31 December 2016 (*continued*)

1 Accounting policies (*continued*)

Revenue recognition

The expenses of UPBO International Holding Limited are wholly charged to Extra Energy Supply Limited.

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Foreign currency

Transactions entered into by UPBO International Holding Limited in a currency other than Great Britain Pound are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Impairment of non-financial assets

The carrying values of non-financial assets are reviewed for impairment when there is an indication that assets might be impaired. When the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash generating unit (i.e. the smallest company of assets in which the asset belongs for which there are separately identifiable cash flows). Impairment charges are included in the statement of comprehensive income, except to the extent they reverse previous gains recognised in the statement of comprehensive income. An impairment loss recognised for goodwill is not reversed.

Financial assets

The Group classifies its financial assets into the categories, discussed below, due to the purpose for which the assets were acquired. The Group has neither classified its financial assets as held to maturity nor as available for sale or at fair value through profit and loss.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. The Group's loans and receivables comprise of trade and other receivables included within the combined statement of financial position.

Cash and cash equivalents

Cash and cash equivalents include cash held at bank.

UPBO International Holding Limited

Notes forming part of the revised financial statements for the period ended 31 December 2016 (continued)

1 Accounting policies (continued)

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within other operating expenses in the statement of comprehensive income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Group classifies its financial liabilities as other financial liabilities which include the following:

- Loans which are initially recognised at fair value net any of transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost ensuring the interest element of the borrowing is expensed over the repayment period at a constant rate. This is only applied for long term liabilities.
- Trade payables, other borrowings and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2 Critical accounting estimates and judgments

The Director believes there are no critical accounting estimates and judgments included in the preparation of these financial statements.

3 Revenue

| | 14 months ended 31 December 2016 £'000 | Year ended 31 October 2015 £'000 |
|-----------------------|--|---|
| Provision of services | 46,778 | 36,733 |

The complete revenue is generated with one single customer, Extra Energy Supply Limited.

4 Operating loss

| | 14 months ended 31 December 2016 £'000 | Year ended 31 October 2015 £'000 |
|---|--|---|
| This has been arrived at after charging/(crediting): | | |
| Fees payable to the company's auditor for the auditing of the company's annual accounts | 24 | 10 |
| Difference on foreign exchange | - | 6 |

UPBO International Holding Limited

Notes forming part of the revised financial statements
for the period ended 31 December 2016 (continued)

5 Employee benefit expenses

| | 14 months ended 31 December 2016 £'000 | Year ended 31 October 2015 £'000 |
|---|--|---|
| Employee benefit expenses (including directors) comprise: | | |
| Wages and salaries | - | 8,052 |
| Social security contributions and similar taxes | - | 117 |
| | - | 8,169 |

The average number of employees (including directors) during the period was nil (31 October 2015 – 411).

In September 2015 employee cost was transferred to a related company, Extra Energy Supply Limited. Accordingly no payroll costs have been incurred during the current period.

The director received no remuneration for the current period and prior year.

6 Finance income and expense

Recognised in profit or loss

| | 14 months ended 31 December 2016 £'000 | Year ended 31 October 2015 £'000 |
|--|--|---|
| Finance Income | | |
| Interest received on bank deposits | 10 | 7 |
| Total finance income | 10 | 7 |
| Finance expense | | |
| Interest expense on loans from related parties | (14) | (1) |
| Total finance expense | (14) | (1) |
| Net finance (expense) / income | (4) | 6 |

UPBO International Holding Limited

Notes forming part of the revised financial statements
for the period ended 31 December 2016 (*continued*)

7 Taxation on profit on ordinary activities

| | 14 months ended 31 December 2016 £'000 | Year ended 31 October 2015 £'000 |
|--|--|---|
| <i>UK corporation tax</i> | | |
| Current tax on profits of the year | (1) | - |
| | <hr/> | <hr/> |
| Total current tax | (1) | - |
| | <hr/> | <hr/> |
| <i>Deferred tax</i> | | |
| Origination and reversal of timing differences | - | - |
| | <hr/> | <hr/> |
| Taxation on profit on ordinary activities | (1) | - |
| | <hr/> | <hr/> |

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

| | 14 months ended 31 December 2016 £'000 | Year ended 31 October 2015 £'000 |
|---|--|---|
| Profit on ordinary activities before tax | (8) | - |
| | <hr/> | <hr/> |
| Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015 – 20.25%) | (2) | - |
| Effects of: | | |
| Expenses not deductible for tax purposes | 1 | - |
| | <hr/> | <hr/> |
| Total tax charge for period | (1) | - |
| | <hr/> | <hr/> |

UPBO International Holdings Limited

Notes forming part of the financial statements for the period ended 31 December 2016 (continued)

8 Profit for the financial period

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss Account. The profit for the period dealt with in the accounts of the Company was £Nil (31 October 2015 loss - £1,000).

9 Investments

| Company | Investments in subsidiary companies £'000 |
|---------|--|
|---------|--|

Cost and net book value

At 31 October and 31 December 2016

17

Subsidiary undertakings

| Company name | Country | Percentage shareholding | Nature of business |
|--|---------|-------------------------|--|
| Utility Professional Business Operations Limited | UK | 100% | Provision of gas supply and support services |
| Utility Professional Business Operations Bochum GmbH | Germany | 100% | Dormant |

10 Other receivables

| | Group 31 December 2016 £'000 | Group 31 October 2015 £'000 | Company 31 December 2016 £'000 | Company 31 October 2015 £'000 |
|---------------------------------|---------------------------------------|--------------------------------------|---|--|
| Amounts owed by related parties | 219 | 218 | - | - |
| Credit cover deposits | 8,238 | 3,727 | - | - |
| Other debtors | - | 353 | - | - |
| | <u>8,457</u> | <u>4,298</u> | <u>-</u> | <u>-</u> |

All amounts shown under receivables fall due for payment within one year and none are past their due date.

Included within other debtors is £2 of unpaid share capital.

UPBO International Holding Limited

Notes forming part of the revised financial statements
for the period ended 31 December 2016 (*continued*)

11 Trade and other payables

| | Group 31 December 2016 £'000 | Group 31 October 2015 £'000 | Company 31 December 2016 £'000 | Company 31 October 2015 £'000 |
|---------------------------------|---------------------------------------|--------------------------------------|---|--|
| Trade payables | 1,112 | 927 | - | - |
| Amounts owed by related parties | 4,305 | 502 | 20 | 20 |
| Accruals and deferred income | 3,213 | 3,921 | - | - |
| | <u>8,630</u> | <u>5,350</u> | <u>20</u> | <u>20</u> |

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

12 Non-current liabilities

| | Group 31 December 2016 £'000 | Group 31 October 2015 £'000 | Company 31 December 2016 £'000 | Company 31 October 2015 £'000 |
|-----------------------------------|---------------------------------------|--------------------------------------|---|--|
| Non-Current | | | | |
| Amounts owed to related companies | <u>89</u> | <u>80</u> | <u>-</u> | <u>-</u> |

The loan from the related party Extra Energie GmbH is due by 31 March 2019 and bears interest of EURIBOR plus a margin of 3.5%.

UPBO International Holding Limited

Notes forming part of the revised financial statements
for the period ended 31 December 2016 (continued)

13 Financial instruments - Risk Management

The Company is exposed through its operations to the following financial risks:

- Credit & Liquidity risk and
- Interest rate risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(i) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Loans & Trade and other payables

(ii) Financial instruments by category

Financial assets

| | Loans and receivables | |
|-------------------------------|-----------------------|--------------|
| | 14 months ended | Year ended |
| | 31 December | 31 October |
| | 2016 | 2015 |
| | £'000 | £'000 |
| Cash and cash equivalents | 250 | 1,129 |
| Other receivables | 8,457 | 4,298 |
| Total financial assets | 8,707 | 5,427 |

Financial liabilities

| | Financial liabilities at amortised cost | |
|--|---|--------------|
| | 14 months ended | Year ended |
| | 31 December | 31 October |
| | 2016 | 2015 |
| | £'000 | £'000 |
| Trade and other payables < 1 year | 8,630 | 5,350 |
| Amounts owed to other related companies > 1 year | 89 | 80 |
| Total financial liabilities | 8,719 | 5,430 |

UPBO International Holding Limited

Notes forming part of the revised financial statements for the period ended 31 December 2016 *(continued)*

13 Financial instruments - Risk Management *(continued)*

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least 30 days. The Board manages the business within the frame of a 12 month cash flow projection (within the Business Plan) with the near term cash flows relating to the next two months being updated on a constant basis.

Cash flow forecasts are produced on a continual basis to ensure that both short and medium term liquidity is maintained, and on a long term projection basis for the purpose of identifying any funding requirements.

The Director continually monitors the cash flow requirements of the business in order to ensure the Group has sufficient funds to meet its growth targets. The director is satisfied that the company has access to sufficient funding to continue trading and to pay its creditors as they fall due for payment for at least the 12 months following the date of signing this report and accounts.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rate parties with minimum rating "A" are accepted.

Interest rate risk

The Group financing is based mainly on funds which have been provided by a related party as a long term loan. As the interest rate agreed in the loan contract is variable and based on the 12M Euribor as a reference rate, the company bears the risk from fluctuations of the interest rate. The impact of an increase or decrease of the basic interest rate by 1% is not considered material.

UPBO International Holding Limited

Notes forming part of the financial statements
for the period ended 31 December 2016 (continued)

14 Related party transactions: 31 December 2016

| | Sales to related parties £'000 | Amounts owed by related parties £'000 | Amounts owed to related parties £'000 |
|-----------------------------|---|---|---|
| Extra Energie GmbH | - | - | (112) |
| Extra Energy Supply Limited | 46,778 | - | (4,280) |
| Addito Supply Limited | - | 219 | - |

Related party transactions: 31 October 2015

| | Sales to related parties £'000 | Amounts owed by related parties £'000 | Amounts owed to Related Parties £'000 |
|-----------------------------|---|---|---|
| Extra Energie GmbH | - | - | (100) |
| Extra Energy Supply Limited | 36,733 | - | (482) |
| Addito Supply Limited | - | 218 | - |

| Name of person/company | Nature of relation | Nature of business |
|------------------------------------|---|---|
| Mordechay Maurice Ben-Moshe | CEO and ultimate shareholder | None |
| Extra Energie GmbH, Neuss, Germany | Company under control of ultimate shareholder | Loan agreement, energy purchase contracts |
| Extra Energy Supply Limited, UK | Company under control of ultimate shareholder | Purchase of services |
| Addito Supply Limited, UK | Company under control of ultimate shareholder | Short term advance |

During the period loan interest of £4,000 (31 October 2015: £1,000) paid in relation to the related party loan from Extra Energie GmbH. The total balance due to Extra Energie GmbH is repayable in two tranches. The first tranche totals £20,000 and is repayable on demand while the second tranche of £80,000 is repayable in March 2019. All balances are unsecured. Interest is charged at EURIBOR plus a margin of 3.5%.

In September 2015 the cost associated with key management personnel were transferred to a related company, Extra Energy Supply Limited. Accordingly no key management remuneration costs have been incurred during the period

15 Ultimate parent undertaking and controlling party

The immediate and ultimate parent Company is Noya Holding Limited.

The Group and company is ultimately controlled by the director M Ben-Moshe.