

Company registration number 09385371 (England and Wales)

YORKSHIRE GAS AND POWER LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

YORKSHIRE GAS AND POWER LIMITED

COMPANY INFORMATION

Directors	M Saikia R Raichura D Ballantyne	(Appointed 1 December 2022)
Company number	09385371	
Registered office	4305 Park Approach Leeds LS15 8GB	
Auditor	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton BL1 4QR	

YORKSHIRE GAS AND POWER LIMITED

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YORKSHIRE GAS AND POWER LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Fair review of the business

Group turnover for the year was £42.8m (2022: £27.8m) an increase of 54.2%. This increase has been achieved as a result of new contracts with customers being secured during both 2023 and 2022. The industry as a whole has incurred significantly increased costs, which has resulted in increased sale prices throughout the year. Furthermore, the group has benefitted from successful hedging of contracts which were sold back to the market at a profit.

Consumption of electricity across the entire portfolio has generally increased when compared to the prior year as a direct result of a move away from gas usage, and in turn gas usage has fallen. Other factors include a combination of seasonal variations when compared to the previous year and increases in average customer size.

The overall business performance was in line with the Directors' expectations.

Continued effective management of cost of sales has resulted in gross profit increasing from 22.3% to 30.9%, this is a significant achievement in these very challenging times.

Other operating income includes £2.4m (2022: £Nil) received from the UK Government under the Energy Bills Support Scheme.

Close controls implemented in respect of all administrative costs by the management team, together with the financial benefit of improved gross profit margins, has resulted in profit before tax margins increasing from 5.7% to 17.6%.

The group balance sheet value has grown significantly in the year from £1.8m to £7.9m due to the retention of profits in the year. The directors are satisfied with this, believing it places the group in a strong and stable position financially for the future.

Objectives and strategy

The objective of the group is to deliver long term value to the owners. The Board's strategy to achieve this is based upon the following principles:

- Continued growth by continuing to offer relevant, competitively priced products into core markets, underpinned by high quality service for customers.
- Commitment to the rollout of smart metering and other industry initiatives to improve the accuracy of billing and customer experience.
- To attract, retain and develop exceptional senior managers to continuously improve the organisation's capabilities and present challenge to the dominant suppliers in the market.
- Diversification into new market segments or adjacent markets to support growth and spread risk.

YORKSHIRE GAS AND POWER LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties

The group seeks to manage risk through a combination of Board oversight, operational routines and policies. The principal risks are aggregated as follows:

Commodity risk

Commodity risk being the risk of volatility in the price of wholesale energy impacting customer margins. The group seeks to manage this risk by utilising forward energy contracts that align to the term and pricing of customer contracts.

Ukraine war and energy costs

The Ukraine war has resulted in increased costs generally, increasing wages and general overhead costs. The effect on energy prices has been significant. These inflation related price increases are expected to remain for some time to come.

Liquidity risk

The risk that the group is unable to meet its financial obligations due to insufficient credit or cash reserves. This is managed on a short and long-term basis with reference to internal working capital strategies and access to external funding.

Credit risk

The risks of bad debt from the customer portfolio and the risk of failure of a counterparty or supplier to meet its contractual obligations. A credit onboarding process is followed for new customers, which predominantly included direct debit as the principal means of payment and trade debtors are monitored on an ongoing basis. The financial position of suppliers is assessed for long term sustainability as contracts to purchase energy are agreed.

Industry specific risks

The UK non-domestic supply market is highly competitive, and while risk is present in all markets, this continues to be an attractive place to do business.

Operating in a regulated market opens up regulatory and political risks as well as costs, and it is a feature of normal operations that such risks, costs and changes must be accommodated, albeit that they may cause disruption and/or prices changes for customers.

The business has continued to mitigate the risks noted above through the following strategies:

- Ensuring the business has the right skills and capabilities to monitor and maintain compliance with regulatory requirements.
- Offering products that pass or share risk with end users combined with comprehensive hedging strategies to reduce exposure.

YORKSHIRE GAS AND POWER LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Key performance indicators

The group reviews and monitors its performance against a number of key performance indicators both financial and non-financial. The principal measures include revenue growth, maintaining service levels, improvement of gross margins and net profit, together with maintaining both net current assets and net assets. These are reviewed by the management team and reported to the Board on a monthly basis.

The directors have and will continue to monitor all of the KPI's and daily operating controls and maintain a strong focus on increasing performance in all aspects of the business.

The main KPI's and corresponding results are as follows:

	2023	2022
Turnover growth	54.20%	74.80%
Gross profit %	30.90%	22.30%
Profit before tax	£7.5m	£1.6m
Profit before tax %	17.60%	5.70%
Bank	£10.1m	£4.6m
Net assets	£7.9m	£1.8m

The turnover growth achieved in 2023 illustrates the successful business growth strategies implemented, general price increases and re-sale of hedged contracts back to the market.

The gross profit margin has been successfully improved via cost management implementations.

The improved net profit margin has been achieved through effective cost control measures.

The group has maintained significant net assets and cash, illustrating continued and increased liquidity, achieved by efficient working capital controls and procedures. This illustrates the group's strengthened financial position.

On behalf of the board

D Ballantyne
Director

7 November 2023

YORKSHIRE GAS AND POWER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company and group continued to be that of utility management.

Results and dividends

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

Ordinary dividends were paid amounting to £37,000. The directors do not recommend payment of a further dividend.

Directors

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

M Saikia
R Raichura
D Ballantyne

(Appointed 1 December 2022)

Future developments

The group is continuing to provide commercial gas and electricity and related services. The group expects to continue with its current activities in future periods.

Auditor

The auditor, Cowgill Holloway LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 group and company, and of the profit or loss of the group 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditor of the company 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 auditor of the company is aware of that information.

YORKSHIRE GAS AND POWER LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board

D Ballantyne
Director

7 November 2023

YORKSHIRE GAS AND POWER LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YORKSHIRE GAS AND POWER LIMITED

Opinion

We have audited the financial statements of Yorkshire Gas and Power Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 group's and the parent company's affairs as at 31 March 2023 and of the group's profit 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 group and parent 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.

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

YORKSHIRE GAS AND POWER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF YORKSHIRE GAS AND POWER LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 parent 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 parent 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.

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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's license to operate. We identified the following areas as those most likely to have such an effect: laws related to energy supply activities and the regulated nature of the energy industry, employment law, data protection and health & safety.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

YORKSHIRE GAS AND POWER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF YORKSHIRE GAS AND POWER LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

- Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud
- Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud
- Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud;

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.

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.

Caroline Snape (Senior Statutory Auditor)
For and on behalf of Cowgill Holloway LLP

7 November 2023

Chartered Accountants
Statutory Auditor

Regency House
45-53 Chorley New Road
Bolton
BL1 4QR

YORKSHIRE GAS AND POWER LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	42,788,790	27,755,233
Cost of sales		(29,550,698)	(21,565,072)
Gross profit		13,238,092	6,190,161
Administrative expenses		(8,132,207)	(4,599,163)
Other operating income		2,436,944	6,553
Operating profit	4	7,542,829	1,597,551
Interest receivable and similar income	8	7,237,642	764
Interest payable and similar expenses	9	(29,310)	(13,094)
Profit before taxation		14,751,161	1,585,221
Tax on profit	10	(1,464,876)	(318,858)
Profit for the financial year		13,286,285	1,266,363

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

YORKSHIRE GAS AND POWER LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		98,117		147,175
Tangible assets	13		271,722		525,947
			<u>369,839</u>		<u>673,122</u>
Current assets					
Debtors	16	19,086,105		8,710,988	
Cash at bank and in hand		10,056,391		4,603,737	
		<u>29,142,496</u>		<u>13,314,725</u>	
Creditors: amounts falling due within one year	17	(13,919,004)		(11,451,990)	
Net current assets			<u>15,223,492</u>		<u>1,862,735</u>
Total assets less current liabilities			<u>15,593,331</u>		<u>2,535,857</u>
Creditors: amounts falling due after more than one year	18		(450,000)		(650,000)
Provisions for liabilities					
Deferred tax liability	20	49,631		41,442	
		<u>(49,631)</u>		<u>(41,442)</u>	
Net assets			<u><u>15,093,700</u></u>		<u><u>1,844,415</u></u>
Capital and reserves					
Called up share capital	22		100		100
Profit and loss reserves			<u>15,093,600</u>		<u>1,844,315</u>
Total equity			<u><u>15,093,700</u></u>		<u><u>1,844,415</u></u>

The financial statements were approved by the board of directors and authorised for issue on 7 November 2023 and are signed on its behalf by:

D Ballantyne
Director

Company registration number 09385371 (England and Wales)

YORKSHIRE GAS AND POWER LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Investments	14		2,803,000		2,803,000
Current assets					
Debtors	16	16,400		2,200,100	
Cash at bank and in hand		1,219,906		-	
		<u>1,236,306</u>		<u>2,200,100</u>	
Creditors: amounts falling due within one year	17	(598,920)		(2,078,404)	
Net current assets			637,386		121,696
Net assets			<u>3,440,386</u>		<u>2,924,696</u>
Capital and reserves					
Called up share capital	22		100		100
Profit and loss reserves			3,440,286		2,924,596
Total equity			<u>3,440,386</u>		<u>2,924,696</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £552,690 (2022 - £38,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 7 November 2023 and are signed on its behalf by:

D Ballantyne
Director

Company registration number 09385371 (England and Wales)

YORKSHIRE GAS AND POWER LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 April 2021		100	615,952	616,052
Year ended 31 March 2022:				
Profit and total comprehensive income		-	1,266,363	1,266,363
Dividends	11	-	(38,000)	(38,000)
Balance at 31 March 2022		100	1,844,315	1,844,415
Year ended 31 March 2023:				
Profit and total comprehensive income		-	13,286,285	13,286,285
Dividends	11	-	(37,000)	(37,000)
Balance at 31 March 2023		100	15,093,600	15,093,700

YORKSHIRE GAS AND POWER LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 April 2021		100	2,924,596	2,924,696
Year ended 31 March 2022:				
Profit and total comprehensive income for the year		-	38,000	38,000
Dividends	11	-	(38,000)	(38,000)
Balance at 31 March 2022		100	2,924,596	2,924,696
Year ended 31 March 2023:				
Profit and total comprehensive income		-	552,690	552,690
Dividends	11	-	(37,000)	(37,000)
Balance at 31 March 2023		100	3,440,286	3,440,386

YORKSHIRE GAS AND POWER LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28				
		(991,908)		1,242,610	
Interest paid		(29,310)		(13,094)	
Income taxes paid		(751,832)		(148,237)	
Net cash (outflow)/inflow from operating activities		(1,773,050)		1,081,279	
Investing activities					
Purchase of tangible fixed assets		(59,339)		(85,244)	
Proceeds from disposal of tangible fixed assets		284,401		-	
Interest received		34,560		764	
Dividends received		7,203,082		-	
Net cash generated from/(used in) investing activities		7,462,704		(84,480)	
Financing activities					
Repayment of bank loans		(200,000)		(150,000)	
Dividends paid to equity shareholders		(37,000)		(38,000)	
Net cash used in financing activities		(237,000)		(188,000)	
Net increase in cash and cash equivalents		5,452,654		808,799	
Cash and cash equivalents at beginning of year		4,603,737		3,794,938	
Cash and cash equivalents at end of year		10,056,391		4,603,737	

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Yorkshire Gas and Power Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 4305 Park Approach, Leeds, LS15 8GB.

The group consists of Yorkshire Gas and Power Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 £.

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

The company is a qualifying entity for the purpose of FRS102 and has elected to take exemption under FRS102 paragraph 1.12 (b) not to present the company statement of cashflows.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Yorkshire Gas and Power Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised.

Turnover is generated primarily from the sale of electricity and gas to customers. Turnover from contracts with customers is recognised over time as energy is supplied to the customer, this reflects the value of the volume supplied which includes an estimated value of volume supplied to customers between the last meter reading and the end of the period. This is determined based on historic meter readings and industry consumption data.

Turnover relating to the sale of electricity and gas to suppliers is recognised at the date that the rights of use are transferred under contract.

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	2% p.a. straight line basis
Fixtures and fittings	15% p.a. reducing balance basis
Computers	15% p.a. reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

1.8 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.

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Own use contracts

The group enters into forward contracts for a variety of periods to purchase electricity and gas. Energy procurement contracts are entered into and continue to be held for the purpose of the receipt of a non-financial item which is in accordance with the company's expected purchase and sale requirements and are therefore out of the scope of financial instruments. Energy contracts that are not recognised as financial instruments are recognised as "own use contracts" and disclosed as an energy purchase commitment.

Forward contracts to purchase energy are accounted for in the statement of comprehensive income in the period in which the supply of power occurs.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Equity instruments

Equity instruments issued by the group 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 group.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Turnover and trade debtors

The nature of the energy industry in the UK, in which the group operates, is such that turnover recognition is subject to a degree of estimation.

Turnover derived from the supply of energy includes an estimate of the value of gas and electricity supplied to customers between the date of the last meter reading and the end of the reporting period. Estimation of the number of units consumed but not yet processed through the settlement process are based on industry data until final reconciliation data is received.

Bad debts

Provisions against trade debtors are recognised when a loss is considered probable.

Trade debtors are stated net of the allowance for the impairment of bad and doubtful debts. Debtor balances are provided against based on the date the invoice is raised. Receivables are categorised based on customer and account type, attributing varying risk profiles to each possibility. The percentages applied to each category of aged receivables is based on the average loss for that category, based on historic experience. At the year-end, the directors have included a bad debt provision of £3,277,035 (2022: £1,962,505).

Goodwill

The group established a reliable estimate of the useful life of goodwill arising on business combinations. This estimate is based on factors such as the expected use of the acquired business and the expected useful life of the cash generating units to which the goodwill is attributed.

Financial instruments

The group has long term commercial contracts in place for the purchase of gas and electricity. On the grounds that these contracts are held for the purpose of the delivery of a non-financial item in accordance with the group's expected purchase and sale requirements, the own use exemption has been applied. As a result, the agreements do not fall within the scope of Section 12 of FRS102 and are not accounted for as derivatives.

ROC recycle

Renewable Obligation Certificates (ROCs) are certificates used by suppliers to demonstrate that they have met their renewable obligations. The value of a ROC is determined by the buy out price, set by the market, and a recycle element of the final ROC value determined once all energy suppliers have demonstrated either compliance or non-compliance. The company purchases ROCs on a net basis excluding the buy out which is returned to the generator, eliminating any recycle value differences. At the year-end, the directors have included an accrual for ROCs of £3,409,853 (2022: £2,918,212).

Recognition of fee income

The directors have assessed that fee income in connection with disconnections costs, late payments and cancellations are by their nature highly irrecoverable. Therefore this income is only recognised on a receipts basis, as this when it is certain that the economic benefits associated with the transaction will flow to the group. At the year-end, the directors have deferred income relating to fees of £1,430,463 (2022: £1,197,271).

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Turnover and other revenue

	2023	2022
	£	£
Other revenue		
Interest income	34,560	764
Dividends received	7,203,082	-
Grants received	2,436,944	6,553
	<u>2,478,586</u>	<u>7,317</u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(2,436,944)	(6,553)
Depreciation of owned tangible fixed assets	38,224	35,471
Profit on disposal of tangible fixed assets	(9,061)	-
Amortisation of intangible assets	49,058	49,058
Operating lease charges	92,629	62,236
	<u>60,806</u>	<u>79,162</u>

Government grants received in the current year, relate to claims made from The Energy Bill Relief Scheme. In the prior year, government grant income related to claims made for the Coronavirus Job Retention Scheme.

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	3,250	-
Audit of the financial statements of the company's subsidiaries	16,750	15,500
	<u>20,000</u>	<u>15,500</u>

6 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Administration	<u>51</u>	<u>43</u>	<u>-</u>	<u>-</u>

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	1,704,754	1,279,708	77,163	-
Social security costs	164,690	114,920	-	-
Pension costs	112,277	107,234	-	-
	<u>1,981,721</u>	<u>1,501,862</u>	<u>77,163</u>	<u>-</u>

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	152,461	25,486
Company pension contributions to defined contribution schemes	80,000	80,000
	<u>232,461</u>	<u>105,486</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022: 2).

8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	33,539	-
Other interest income	1,021	764
Total interest revenue	<u>34,560</u>	<u>764</u>
Income from fixed asset investments		
Income from shares in group undertakings	7,203,082	-
Total income	<u>7,237,642</u>	<u>764</u>

9 Interest payable and similar expenses

	2023 £	2022 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	28,573	13,094
Other finance costs:		
Other interest	737	-
Total finance costs	<u>29,310</u>	<u>13,094</u>

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	1,433,915	297,064
Adjustments in respect of prior periods	22,772	-
Total current tax	1,456,687	297,064
Deferred tax		
Origination and reversal of timing differences	6,223	15,276
Changes in tax rates	1,966	6,518
Total deferred tax	8,189	21,794
Total tax charge	1,464,876	318,858

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:

	2023 £	2022 £
Profit before taxation	14,751,161	1,585,221
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	2,802,721	301,192
Tax effect of expenses that are not deductible in determining taxable profit	16	1,299
Adjustments in respect of prior years	22,772	-
Effect of change in corporation tax rate	1,966	6,518
Depreciation on assets not qualifying for tax allowances	48	-
Amortisation on assets not qualifying for tax allowances	9,321	9,321
Other permanent differences	(3,382)	528
Taxation charge	2,833,462	318,858
Taxation charge in the financial statements	1,464,876	318,858
Reconciliation - the current year tax charge does not reconcile to the above analysis. Please review figures in the database.	1,368,586	-

Deferred tax has been recognised at a rate of 25%. In October 2022, the government announced an increase in the corporation tax main rate from 19% to 25% for companies with profit over £250,000. There is a small company rate of 19% for taxable profits under £50,000 and marginal relief available for profits falling between £50,000 - £250,000 with effect from 1 April 2023.

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Dividends

	2023	2022
	£	£
Recognised as distributions to equity holders:		
Final paid	37,000	38,000
	<u> </u>	<u> </u>

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2022 and 31 March 2023	490,581
Amortisation and impairment	
At 1 April 2022	343,406
Amortisation charged for the year	49,058
At 31 March 2023	392,464
Carrying amount	
At 31 March 2023	98,117
At 31 March 2022	147,175

The company had no intangible fixed assets at 31 March 2023 or 31 March 2022.

13 Tangible fixed assets

Group	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 April 2022	329,245	153,423	127,938	610,606
Additions	-	-	59,339	59,339
Disposals	(292,914)	-	-	(292,914)
At 31 March 2023	36,331	153,423	187,277	377,031
Depreciation and impairment				
At 1 April 2022	18,482	41,682	24,495	84,659
Depreciation charged in the year	1,681	16,761	19,782	38,224
Eliminated in respect of disposals	(17,574)	-	-	(17,574)
At 31 March 2023	2,589	58,443	44,277	105,309
Carrying amount				
At 31 March 2023	33,742	94,980	143,000	271,722
At 31 March 2022	310,763	111,741	103,443	525,947

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	15	-	-	2,803,000	2,803,000

Movements in fixed asset investments Company

Cost or valuation

At 1 April 2022 and 31 March 2023

Shares in
subsidiaries
£

2,803,000

Carrying amount

At 31 March 2023

2,803,000

At 31 March 2022

2,803,000

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct Indirect	
Eco Green Management Limited	1	Utility management	A, B, C & D Ordinary shares	-	100.00
EE Solutions Limited	1	Intermediate holding company	Ordinary A, B & C shares	100.00	-

Registered office addresses (all UK unless otherwise indicated):

1 4305 Park Approach, Leeds, LS15 8GB

16 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	8,653,602	4,659,986	-	-
Amounts owed by group undertakings	7,203,082	-	-	2,200,000
Other debtors	987,286	170,499	16,400	100
Prepayments and accrued income	2,242,135	3,880,503	-	-
	19,086,105	8,710,988	16,400	2,200,100

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	19	200,000	200,000	-	-
Trade creditors		2,742,545	2,171,890	-	-
Amounts owed to group undertakings		-	-	452,172	2,065,618
Corporation tax payable		993,970	289,115	130,712	-
Other taxation and social security		676,281	734,676	-	-
Other creditors		261,199	208,923	12,785	12,786
Accruals and deferred income		9,045,009	7,847,386	3,251	-
		<u>13,919,004</u>	<u>11,451,990</u>	<u>598,920</u>	<u>2,078,404</u>

Bank loans are secured by a fixed and floating charge over the assets of Eco Green Management Limited and were fully repaid on 14 June 2023.

18 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	19	450,000	650,000	-	-

Bank loans are secured by a fixed and floating charge over the assets of Eco Green Management Limited and were fully repaid on 14 June 2023.

19 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	650,000	850,000	-	-
Payable within one year	200,000	200,000	-	-
Payable after one year	450,000	650,000	-	-

Bank loans are secured and subject to interest at 1.7% above the Bank of England base rate. The bank loans are fully repayable by monthly capital repayments of £16,667, with a maturity date of June 2026.

The bank loans have been fully repaid post year end on 14 June 2023.

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
Group		
Accelerated capital allowances	49,631	41,442

The company has no deferred tax assets or liabilities.

	Group 2023 £	Company 2023 £
Movements in the year:		
Liability at 1 April 2022	41,442	-
Charge to profit or loss	6,223	-
Effect of change in tax rate - profit or loss	1,966	-
Liability at 31 March 2023	49,631	-

The deferred tax liability set out above relates to accelerated capital allowances, which are expected to reverse over the associated life of fixed assets.

21 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	112,277	107,234

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

As at the year-end, there were no contributions due to the defined contribution schemes in respect of the current reporting year (2022: £Nil).

22 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary A shares of £0.01 each	9,509	9,509	95	95
Ordinary B shares of £0.01 each	501	501	5	5
	10,010	10,010	100	100

All share classes rank pari passu.

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Financial commitments, guarantees and contingent liabilities

At the year end, the group had committed to purchase energy totalling £15,274,088 (2022: £16,169,916).

The commitment to purchase energy extended to September 2026 (2022: September 2025).

24 Operating lease commitments

Lessee

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	90,000	6,250	-	-
Between two and five years	97,500	-	-	-
	<u>187,500</u>	<u>6,250</u>	<u>-</u>	<u>-</u>

25 Related party transactions

The company has taken advantage of the exemption available in accordance with Financial Reporting Standard 102 Section 33, not to disclose transactions entered into between two or more members of a group, where any subsidiary party to the transaction is wholly owned.

During the year, the company paid rent of £91,518 (2022: £51,300) to the shareholder's pension scheme. At the year end no amounts (2022: £Nil) were owed to the pension scheme.

During the year, the company incurred consultancy and directors fees totalling £184,030 (2022: £95,195) from UK Energy Analytics Limited, a company controlled by a director. At the year end an amount of £Nil (2022: £10,834) was due to UK Energy Analytics Limited and is included within other creditors. The balance is unsecured, non-interest bearing and repayable on demand.

During the year, the company procured legal services totalling £Nil (2022: £21,675) from Monica Saikia Limited, a company controlled by a director and ultimate shareholder. At the year end no amounts (2022: £Nil) were due to Monica Saikia Limited.

During the year, the company paid key management personnel (including Directors) emoluments of £237,995 (2022: £181,221) and pension contributions of £80,000 (2022: £80,718).

Included within other creditors are loan notes due to a family member of a director amounting to £31,895 (2022: £31,895). This balance is non-interest bearing, unsecured and repayable on demand.

26 Directors' transactions

Dividends totalling £37,000 (2022 - £38,000) were paid in the year in respect of shares held by the company's directors.

27 Controlling party

The ultimate controlling party is deemed to be R Raichura by virtue of his majority shareholding.

YORKSHIRE GAS AND POWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

28 Cash (absorbed by)/generated from group operations

	2023 £	2022 £
Profit for the year after tax	13,286,285	1,266,363
Adjustments for:		
Taxation charged	1,464,876	318,858
Finance costs	29,310	13,094
Investment income	(7,237,642)	(764)
Gain on disposal of tangible fixed assets	(9,061)	-
Amortisation and impairment of intangible assets	49,058	49,058
Depreciation and impairment of tangible fixed assets	38,224	35,471
Movements in working capital:		
Increase in debtors	(10,375,117)	(5,911,129)
Increase in creditors	1,762,159	5,471,659
Cash (absorbed by)/generated from operations	(991,908)	1,242,610

29 Analysis of changes in net funds - group

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	4,603,737	5,452,654	10,056,391
Borrowings excluding overdrafts	(850,000)	200,000	(650,000)
	3,753,737	5,652,654	9,406,391

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.