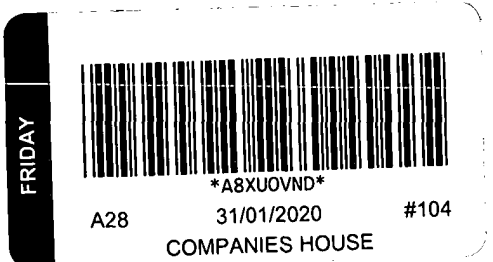

POZITIVE ENERGY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019



POZITIVE ENERGY LTD

COMPANY INFORMATION

Directors	N Bhatia K Campbell S Daniels V Kumar
Registered number	09523048
Registered office	7th Floor Wellington House 90 - 92 Butt Road Colchester Essex CO3 3DA
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Priory Place New London Road Chelmsford Essex CM2 0PP

POZITIVE ENERGY LTD

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POZITIVE ENERGY LTD

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2019

The directors present their strategic report and the audited financial statements for the year ended 30 April 2019.

Business review

The market has been challenging during the past year, seeing an increase in the consolidation of suppliers, but we are pleased to report that the company continues to grow and develop a strong customer base.

We are focused exclusively on the business community and provide value-added services through our innovative technology platforms.

We continue to invest in our people who remain fundamental to our success and growth.

Key performance indicators

The key performance indicators for the company are the level of revenue, gross profit margin, operating profit margin, profit before taxation and value of future contracts secured.

The key performance indicators for the year ended 30 April 2019 are as follows:

	2019	2018
	£,000	£,000
Revenue	109,662	18,867
Gross profit margin %	3.1%	7.5%
Operating profit margin %	0.9%	2.1%
Profit before taxation	976	406
Value of future secured contracts	26.2m	50.8m

Principal risks and uncertainties

The performance of the business is subject to a number of principal risks and uncertainties, and the company monitors these continually, taking appropriate action where necessary. The principal operating risks of the company include, but are not limited to, the following areas:

Wholesale commodity prices – we mitigate increases in commodity prices by hedging our purchases in back to back arrangements to our client contracts.

Information technology – the company uses innovative technology to support the business. Any prolonged system failure would result in significant problems. The company has a business continuity plan in place which ensures that the systems are mirrored and can be re-started within 15 minutes.

Customer debt – the economy in general has been challenging in recent months, particularly due to Brexit. Customers going into administration is a potential problem for any supplier. We undertake stringent credit checks before we take on a customer.

POZITIVE ENERGY LTD

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019**

Financial risk management

As stated, hedging our commodity purchases help mitigate any increase in unit prices. This protects a level of profitability for the future.

System downtime and any resultant financial impact has been mitigated to a negligible level due to our business continuity plan.

We have a dedicated credit control team who review client balances on a daily basis, and take appropriate action when necessary.

Future developments

The company's continued focus will be on the business community, and to continue to offer value-added services over and above the provision of energy.

The recently announced arrangement with Shell Energy Europe Ltd, entered into post year end on 4 December 2019, will bring greater security for our customers and partners.

This report was approved by the board and signed on its behalf,


N Bhatia
Director

Date: 20/01/2020

POZITIVE ENERGY LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2019

The directors present their report and the financial statements for the year ended 30 April 2019.

Principal activity

The company's principal activity during the year was that of an energy supplier.

Results and dividends

The profit for the year, after taxation, amounted to £781,569 (2018 - £385,520).

No dividends were paid or are proposed in respect of the year ended 30 April 2019.

Directors

The directors who served during the year were:

N Bhatia
K Campbell
S Daniels
V Kumar

Matters covered in the Strategic report

As permitted by the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report, have been omitted as they are included in the Strategic Report on pages 1-2. These matters relate to the principal risks that it faces and future developments.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POZITIVE ENERGY LTD

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



N Bhatia
Director

Date: 29/01/2020



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POZITIVE ENERGY LTD

Opinion

We have audited the financial statements of Pozitive Energy Ltd (the 'company') for the year ended 30 April 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2019 and of its 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 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.

Other matter

The company was not required to have a statutory audit for the year ended 30 April 2018 as it was entitled to exemption from the provision of the provisions of the Companies Act 2006 relating to the audit of the financial statements for the period by virtue of Section 477 and no member or members requested an audit pursuant to Section 476 of the Act. Accordingly the corresponding figures for the year ended 30 April 2019 are unaudited.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POZITIVE ENERGY LTD (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POSITIVE ENERGY LTD (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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.

Grant Thornton UK LLP

Timothy Taylor FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Chelmsford
Date: 31 JANUARY 2020

POZITIVE ENERGY LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2019

	Note	2019 £	2018 £
Turnover	4	109,661,636	18,867,102
Cost of sales		(106,233,880)	(17,447,103)
Gross profit		3,427,756	1,419,999
Administrative expenses		(2,451,302)	(1,014,479)
Operating profit	5	976,454	405,520
Profit before tax		976,454	405,520
Taxation	9	(194,885)	(20,000)
Profit for the financial year		781,569	385,520

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 12 to 27 form part of these financial statements.

POZITIVE ENERGY LTD
REGISTERED NUMBER:09523048

BALANCE SHEET
AS AT 30 APRIL 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	10	100,000	100,000
Tangible assets	11	12,001	5,644
Investments	12	1,111	-
		<u>113,112</u>	<u>105,644</u>
Current assets			
Debtors: amounts falling due within one year	13	31,222,377	6,981,331
Cash at bank and in hand	14	545,186	1,179,632
		<u>31,767,563</u>	<u>8,160,963</u>
Creditors: amounts falling due within one year	15	(30,838,473)	(8,007,848)
Net current assets		<u>929,090</u>	<u>153,115</u>
Total assets less current liabilities		<u>1,042,202</u>	<u>258,759</u>
Provisions for liabilities			
Deferred tax	17	(1,874)	-
Net assets		<u><u>1,040,328</u></u>	<u><u>258,759</u></u>
Capital and reserves			
Called up share capital	18	11	11
Share premium account	19	179,999	179,999
Profit and loss account	19	860,318	78,749
		<u><u>1,040,328</u></u>	<u><u>258,759</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

K F Campbell

K Campbell
Director

29/1/20

The notes on pages 12 to 27 form part of these financial statements.

POZITIVE ENERGY LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2019**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2018	11	179,999	78,749	258,759
Comprehensive income for the year				
Profit for the year	-	-	781,569	781,569
At 30 April 2019	<u>11</u>	<u>179,999</u>	<u>860,318</u>	<u>1,040,328</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2017	11	179,999	(306,771)	(126,761)
Comprehensive income for the year				
Profit for the year	-	-	385,520	385,520
At 30 April 2018	<u>11</u>	<u>179,999</u>	<u>78,749</u>	<u>258,759</u>

The notes on pages 12 to 27 form part of these financial statements.

POZITIVE ENERGY LTD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	781,569	385,520
Adjustments for:		
Amortisation of intangible assets	17,403	-
Depreciation of tangible assets	110,636	1,612
Taxation charge	174,885	20,000
(Increase) in debtors	(24,241,046)	(6,847,803)
Increase in creditors	22,656,503	7,625,996
Net cash generated from operating activities	<u>(500,050)</u>	<u>1,185,325</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(17,403)	-
Purchase of tangible fixed assets	(116,993)	(7,256)
Net cash from investing activities	<u>(134,396)</u>	<u>(7,256)</u>
Cash flows from financing activities		
New secured loans	-	77,000
Repayment of loans	-	(195,966)
Net cash used in financing activities	<u>-</u>	<u>(118,966)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(634,446)</u>	<u>1,059,103</u>
Cash and cash equivalents at beginning of year	1,179,632	120,529
Cash and cash equivalents at the end of year	<u><u>545,186</u></u>	<u><u>1,179,632</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	545,186	1,179,632
	<u><u>545,186</u></u>	<u><u>1,179,632</u></u>

The notes on pages 12 to 27 form part of these financial statements.

POZITIVE ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

1. General information

Pozitive Energy Ltd is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 7th Floor Wellington House, 90 - 92 Butt Road, Colchester, CO3 3DA. The company's registered number is 09523048.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Turnover

The turnover shown in the Statement of comprehensive income represents revenue recognized by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

2.3 Going concern

The directors have considered the cash flow requirements of the company and are confident that the company has sufficient resources available to enable it to pay its debts in full as they fall due.

The recent agreement with Shell Energy Europe Ltd provides on-going security to the financial stability of the business. Accordingly, the financial statements have been prepared on a going concern basis.

2.4 Exemption from preparing consolidated financial statements

In the opinion of the directors, the company's subsidiary undertaking is not material. As a result, the directors have taken advantage of the exemption by Section 405(2) of the Companies Act 2006 to exclude this entity from any consolidation and consequently no group accounts have been prepared.

2.5 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

POZITIVE ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following basis:

Software	-	10% straight line
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All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

POZITIVE ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	-	100% straight line
Fixtures and fittings	-	20% straight line
Equipment	-	10% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

POZITIVE ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.14 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions. 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

In making this judgement the company uses volume data provided by industry bodies which form the basis of the sales invoices raised. An adjustment is made for line-loss in respect of the electricity volumes, and the net figure is used in the accrued income calculation. The volumes supplied are multiplied by an average price of existing contracts, which generates an expectation of total revenue for the year. This is compared to the total value of invoices raised in the year and the difference is accrued, and assumed to be billable post year end.

4. Turnover

All turnover is attributable to the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets	110,636	1,612
Amortisation of intangible assets	17,403	-

POZITIVE ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>39,950</u>	<u>-</u>
Fees payable to the company's auditor in respect of:		
Accounts preparation services	3,000	-
Taxation compliance services	5,750	-
	<u>8,750</u>	<u>-</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	619,875	99,184
Social security costs	65,109	12,259
Cost of defined contribution scheme	5,986	612
	<u>690,970</u>	<u>112,055</u>

The average monthly number of employees, including the directors, during the year was as follows:

2019 No.	2018 No.
<u>15</u>	<u>4</u>

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

8. Directors remuneration

	2019 £	2018 £
Directors' emoluments	298,550	24,275
Company contributions to defined contribution pension schemes	405	202
	<u>298,955</u>	<u>24,477</u>

During the year retirement benefits were accruing to 3 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £151,250 (2018 - £12,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £134 (2018 - £67).

9. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	194,306	20,000
Adjustments in respect of previous periods	(1,295)	-
	<u>193,011</u>	<u>20,000</u>
Total current tax	<u>193,011</u>	<u>20,000</u>
Deferred tax		
Origination and reversal of timing differences	1,874	-
Total deferred tax	<u>1,874</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>194,885</u>	<u>20,000</u>

POZITIVE ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>976,454</u>	<u>405,520</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	185,526	77,049
Effects of:		
Expenses not deductible for tax purposes	9,802	1,014
Adjustments to tax charge in respect of previous periods	(1,294)	-
Adjust closing deferred tax to average rate of 19.00%	113	-
Adjust opening deferred tax to average rate of 19.00%	(221)	-
Deferred tax not recognised	959	(1,072)
Over provision	-	1,295
Utilisation of losses b/fwd	-	(58,286)
Total tax charge for the year	<u>194,885</u>	<u>20,000</u>

POZITIVE ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

10. Intangible assets

	Software Licence £
Cost	
At 1 May 2018	100,000
Additions	17,403
At 30 April 2019	<u>117,403</u>
Amortisation	
Charge for the year	17,403
At 30 April 2019	<u>17,403</u>
Net book value	
At 30 April 2019	<u><u>100,000</u></u>
At 30 April 2018	<u><u>100,000</u></u>

Amortisation on intangible assets is charged to administrative expenses.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

11. Tangible fixed assets

	Motor vehicles £	Equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 May 2018	-	6,256	1,000	7,256
Additions	107,960	5,033	4,000	116,993
At 30 April 2019	107,960	11,289	5,000	124,249
Depreciation				
At 1 May 2018	-	1,579	33	1,612
Charge for the year on owned assets	107,960	1,342	1,334	110,636
At 30 April 2019	107,960	2,921	1,367	112,248
Net book value				
At 30 April 2019	-	8,368	3,633	12,001
At 30 April 2018	-	4,677	967	5,644

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	1,111
At 30 April 2019	<u>1,111</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Pozitive Electricty and Gas Private Limited	202 Second Floor, Sigma 2, opp Sales India, Drive in road, Vastrapur, Ahmedabad	Ordinary	99.99%

The subsidiary undertaking made neither a profit or loss for the year ended 31 March 2019. The aggregate of the share capital and reserves as at 31 March 2019 was as follows:

Name	Aggregate of share capital and reserves
Pozitive Electricty and Gas Private Limited	1,111

The financial reporting period of the subsidiary undertaking is to 31 March 2019 which differs from the parent company's year end of 30 April 2019. In the opinion of the directors, the company's subsidiary undertaking is not material. As a result, the directors have taken advantage of the exemption by Section 405(2) of the Companies Act 2006 to exclude this entity from any consolidation and consequently no group accounts have been prepared.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

13. Debtors

	2019 £	2018 £
Trade debtors	7,999,404	2,794,175
Other debtors	5,949,890	469,614
Prepayments	1,757,433	22,542
Accrued income	15,515,650	3,695,000
	<u>31,222,377</u>	<u>6,981,331</u>

A bad debt provision of £290,771 (2018: £Nil) was recognised against trade debtors.

14. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>545,186</u>	<u>1,179,632</u>

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,426,732	360,628
Corporation tax	193,011	20,000
Other taxation and social security	1,469,511	1,298,948
Other creditors	674,991	896,584
Accruals and deferred income	26,074,228	5,431,688
	<u>30,838,473</u>	<u>8,007,848</u>

POZITIVE ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

16. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	545,186	1,179,632
Financial assets that are debt instruments measured at amortised cost	13,950,405	6,981,331
	<u>14,495,591</u>	<u>8,160,963</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(29,175,951)	(6,688,900)

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise investments in subsidiary undertakings, trade debtors, trade deposits and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

17. Deferred taxation

	2019 £
Charged to profit or loss	(1,874)
At end of year	(1,874)

The deferred taxation balance is made up as follows:

	2019 £
Origination and reversal of timing differences	(1,874)
	(1,874)

18. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,112 (2018 - 1,100) Ordinary shares of £0.01 each	11	11

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

19. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,986 (2018: £612).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

21. Commitments under operating leases

At 30 April 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	26,500	24,404
Later than 1 year and not later than 5 years	22,664	49,164
	<u>49,164</u>	<u>73,568</u>

22. Related party transactions

Transactions with Pozitive Electricity and Gas Private Limited

During the year Pozitive Energy Ltd recognised recharges totaling £622,052 (2018: £469,230) from Pozitive Electricity and Gas Private Limited, its subsidiary undertaking. At the year end, included within accruals is a balance of £169,765 (2018: 153,029) relating to recharges not invoiced at the year end.

Balances with shareholders and related parties

At the year end the company owed V Kumar £50,000 (2018: £68,000) which is included within other creditors. A related party by virtue of his shareholding.

At the year end the company owed S Daniels £Nil (2018: £14,000) which is included within other creditors. A related party by virtue of his shareholding.

At the year end the company owed K Campbell £Nil (2018: £6,000) which is included within other creditors. A related party by virtue of his shareholding.

At the year end the company owed N Bhatia £Nil (2018: £18,000) which is included within other creditors. A related party by virtue of his shareholding.

At the year end the company owed Kontact Points £1,000 (2018: £1,000) which is included within other creditors. This entity is a related party by virtue of common owners, K Campbell and N Bhatia.

At the year end the company owed Your Info Tech Partners £21,625 (2018: £45,000) which is included within other creditors. Your Info Tech Partners is owned by C Bhatia, wife of N Bhatia.

During the year ended 30 April 2019, Sarah Daniels (the wife of S Daniels) received remuneration of £50,213 (2018: £3,863).

During the year ended 30 April 2019, Maria Barker (the wife of K Campbell) received remuneration of £50,213 (2018: £3,863).

Key management personnel

Key management remuneration in the year was £338,724 (2018: £27,334).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

23. Controlling party

The entity is under the joint control of N Bhatia, S Daniels, V Kumar, K Campbell, Steadways Ltd and Kiwiscar Ltd.