REGISTERED NUMBER: 09523048 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 March 2022

for

POZITIVE ENERGY LTD

Contents of the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2022

POZITIVE ENERGY LTD

Company Information
FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS:	N R Bhatia K F Campbell S J Daniels K Vipan
REGISTERED OFFICE:	The Octagon 27 Middleborough Colchester CO1 1TG
REGISTERED NUMBER:	09523048 (England and Wales)
AUDITORS:	Butler & Co LLP Chartered Accountants & Statutory Auditor Third Floor 126-134 Baker Street London W1U 6UE

Strategic Report
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their strategic report and the audited financial statements for the 12 months period ended 31 March 2022.

REVIEW OF BUSINESS

Pozitive Energy was established 6 years ago, with a vision to leverage technology to digitalize the traditional utilities business model and support the transition from carbon intensive forms of energy to cleaner and renewable forms of energy. The directors are pleased to report that significant progress continues to be made towards this mission with the company completing another year of significant growth and continued profitability.

In recent years the sector has begun its energy transition, with a global shift towards net zero carbon energy solutions. We are actively helping our customers achieve their own net zero target. We continue to focus on supplying renewable energy to businesses whose bespoke needs are not met by incumbent suppliers. We serve these customers with our unique technology to bring enhanced customer experience and data transparency, whilst bringing direct and indirect cost savings.

Automation in our core operations has put our customers in control of their carbon footprint and provide tools to manage and reduce their energy consumption and costs.

We are exclusively a B2B supplier, offering competitively priced energy supply with value-added services delivered through our proprietary technology platforms. We have a low cost of acquisition and a low cost to serve.

The market has been challenging during the period reported, with the consolidation of suppliers, but we are pleased to report that the company has continued its exceptional growth trajectory, while maintaining profitability, offering competitive green energy supply and building a diversified, high-quality customer base.

The UK energy market is experiencing unprecedented price volatility, which is exacerbated by the ongoing Russian invasion of Ukraine. This volatility has resulted in the failure of a large number of energy suppliers. The company acquired the customer book of CNG Energy and CNG Electricity on 07 November 2021, having been appointed as SoLR (Supplier of Last Resort) by Ofgem.

Key Performance Indicators

	2022	2021	2020	2019
	£	£	£	£
Revenue	449,359	156,644	143,913	109,662
Gross profit margin %	4.2%	2.7%	4.2%	3.1%
Operating profit margin %	1.1%	0.4%	1.7%	0.9%
Profit before taxation	5,380	400	2,444	976
Value of future secured contracts	584m	465m	253m	229m

PRINCIPAL RISKS AND UNCERTAINTIES

The performance of the business is subject to a number of principal risks and uncertainties, and the company monitors these continuously, 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 by forecasting customers' consumption in the contract term and making suitable commodity purchases on the wholesale commodity markets.

Russian invasion of Ukraine

The ongoing conflict continues to have an effect on price volatility, which will have an impact on wholesale prices in the longer term, inflating the price at which the company is able to sell energy to its customers.

Technology

The company's innovative technology is the backbone of the business with all core systems operated on a secure cloud environment. The company maintains a business continuity plan where all the systems are mirrored which ensures that they can all be re-started within 15 minutes, resulting in a return to 'business as usual' with no effect on operations.

COVID-19 pandemic

Throughout the pandemic our priority was to ensure the safety of our people whilst continuing to support our customers. Our cloud-based systems and virtual connectivity tools ensured that we operated through this period without any downtime and remained fully operational throughout this period. In relation to our customers, some have continued to face challenges in the year reported.

Customer debt

The economy in general has continued to be challenging throughout the period, due to the challenges of Brexit, COVID-19 and the wholesale price volatility. Customers going into administration is a potential problem for any supplier. We undertake stringent credit checks before we take on a customer and have deployed AI based tools to continuously monitor credit risk.

Strategic Report
FOR THE YEAR ENDED 31 MARCH 2022

SECTION 172(1) STATEMENT

The Board recognises the importance of the company's wider stakeholders when performing their duties under Section 172 (1) of the Companies Act 2006, and their duties to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term,
(b) the interests of the company's employees,
(c) the need to foster the company's business relationships with suppliers, customers, and others,
(d) the impact of the company's operations on the community and the environment,
(e) the desirability of the company maintaining a reputation for high standards of business conduct, and
(f) the need to act fairly between members of the company.
The company has offices in UK, India, and Australia. For its UK operations, the company is a low energy user.
The company has offices in the UK and India. For all its operations the company is a low energy user.

Future developments

After delivering another profitable period in a competitive market environment, the company aims to continue its growth in the UK energy market given the significant investments made in the technology platform. The company is also in discussions to bring its technology platform to identified markets globally.

ON BEHALF OF THE BOARD:

N R Bhatia - Director

29 December 2022

Report of the Directors
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the 12 months for the period ended 31 March 2022

DIVIDENDS
The profit for the period, after taxation, amounted to £ 4,268,663 (2021 £309,304).

No dividend was proposed or paid in the period (2021 - nil).

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
N R Bhatia
K F Campbell
S J Daniels
K Vipan

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 2-4. 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 Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors
FOR THE YEAR ENDED 31 MARCH 2022

AUDITORS
The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

N R Bhatia - Director

29 December 2022

Report of the Independent Auditors to the Members of Pozitive Energy Ltd

Opinion
We have audited the financial statements of Pozitive Energy Ltd (the 'company') for the year ended 31 March 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 31 March 2022 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 Auditors' 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.

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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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 the audit:
- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Pozitive Energy Ltd

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 set out on page five, 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 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.

Auditors' 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 a Report of the Auditors 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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- We obtained an understanding of the company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of our audit knowledge and experience of the sector.

- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006 and taxation laws.

- We designed our audit procedures to ensure the audit team considered whether there were any indicators of non-compliance by the company with those laws and regulations. Those procedures included, but were not limited to:
o Inquiries of management regarding potential non-compliance;
o Review and legal and professional fee to understand the nature of the costs and the existence of any non-compliance with laws and regulations;
o Review of accounting ledgers for any unusual journal entries which may indicate non-compliance; and
o Challenging assumptions and judgements made by management in significant accounting estimates.

We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals, reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside of normal course of business and review bank statements during the period to identify large and unusual transactions where the business rationale is not clear.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Report of the Auditors.

Report of the Independent Auditors to the Members of Pozitive Energy Ltd

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 a Report of the Auditors 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.

Sanjeev Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

29 December 2022

Income Statement
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
TURNOVER		449,359,989	156,644,357
Cost of sales		430,146,864	152,482,445
GROSS PROFIT		19,213,125	4,161,912
Administrative expenses		13,833,076	3,762,221
OPERATING PROFIT and PROFIT BEFORE TAXATION		5,380,049	399,691
Tax on profit	5	1,111,386	90,387
PROFIT FOR THE FINANCIAL YEAR		4,268,663	309,304

The notes form part of these financial statements

Other Comprehensive Income
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		4,268,663	309,304
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,268,663	309,304

The notes form part of these financial statements

Balance Sheet
31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Intangible assets	6		-		100,000
Tangible assets	7		53,512		48,222
Investments	8		1,111		1,111
			54,623		149,333
CURRENT ASSETS					
Debtors	9	163,227,577		49,246,451	
Cash at bank and in hand		21,247,506		7,859,899	
		184,475,083		57,106,350	
CREDITORS					
Amounts falling due within one year	10	177,938,273		54,932,913	
NET CURRENT ASSETS			6,536,810		2,173,437
TOTAL ASSETS LESS CURRENT LIABILITIES			6,591,433		2,322,770
CAPITAL AND RESERVES					
Called up share capital	13		11		11
Share premium	14		179,999		179,999
Retained earnings	14		6,411,423		2,142,760
SHAREHOLDERS' FUNDS			6,591,433		2,322,770

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 29 December 2022 and were signed on its behalf by:

K F Campbell - Director

The notes form part of these financial statements

Statement of Changes in Equity
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2020	11	1,833,456	179,999	2,013,466
Changes in equity				
Total comprehensive income	-	309,304	-	309,304
Balance at 31 March 2021	11	2,142,760	179,999	2,322,770
Changes in equity				
Total comprehensive income	-	4,268,663	-	4,268,663
Balance at 31 March 2022	11	6,411,423	179,999	6,591,433

The notes form part of these financial statements

Cash Flow Statement
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	11,168,851	870,243
Tax paid		(488,572)	(158,812)
Net cash from operating activities		10,680,279	711,431
Cash flows from investing activities			
Purchase of intangible fixed assets		(251,652)	(7,480)
Purchase of tangible fixed assets		(111,232)	(38,416)
Net cash from investing activities		(362,884)	(45,896)
Cash flows from financing activities			
Proceeds from loan		31,824,202	-
Loan repayments		(28,753,990)	-
Net cash from financing activities		3,070,212	-
Increase in cash and cash equivalents		13,387,607	665,535
Cash and cash equivalents at beginning of year	2	7,859,899	7,194,364
Cash and cash equivalents at end of year	2	21,247,506	7,859,899

The notes form part of these financial statements

Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 MARCH 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	5,380,049	399,691
Depreciation charges	457,594	15,177
	5,837,643	414,868
Increase in trade and other debtors	(113,621,567)	(11,825,352)
Increase in trade and other creditors	118,952,775	12,280,727
Cash generated from operations	11,168,851	870,243

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2022

	31/3/22	1/4/21
	£	£
Cash and cash equivalents	21,247,506	7,859,899

Year ended 31 March 2021

	31/3/21	1/4/20
	£	£
Cash and cash equivalents	7,859,899	7,194,364

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/21	Cash flow	At 31/3/22
	£	£	£
Net cash			
Cash at bank and in hand	7,859,899	13,387,607	21,247,506
	7,859,899	13,387,607	21,247,506
Debt			
Debts falling due within 1 year	-	(3,070,212)	(3,070,212)
	-	(3,070,212)	(3,070,212)
Total	7,859,899	10,317,395	18,177,294

The notes form part of these financial statements

1. STATUTORY INFORMATION

Pozitive Energy Ltd is a private company limited by shares and incorporated in England and Wales. Its registered office is located at The Octagon, 27 Middleborough, Colchester, CO1 1TG. The Company's registered number is 09523048.

The principal activity of Pozitive Energy Ltd is that of renewable energy supplier selling renewable power and offering carbon-neutral gas tariffs to a range of businesses in the UK.

2. ACCOUNTING POLICIES

Basis of preparing the 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 Standards 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.

The financial statements have been prepared using Sterling as the functional currency.

Preparation of 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.

Significant judgements and estimates
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:

Accrued Income

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 period. This is compared to the total value of invoices raised in the period and the difference is accrued, and assumed to be billable post year end.

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

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

The computer software is fully amortised in the year of purchase.

continued...

2. ACCOUNTING POLICIES - continued

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 the 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 basis
Fixtures and fittings	20% straight-line basis
Equipment	10% straight-line basis

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 disposal are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

Investments in subsidiaries
Investments in subsidiaries are measured at cost less accumulated impairment.

Financial instruments
The company only enters into basic financial instruments 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 account receivables and payables, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concession loan.

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.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive income except that a change 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 generate income.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but nit reversed by the Balance sheet date, except that:

The recognition of deferred tax asset 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 difference 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.

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.

Creditors and provision for liabilities

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.

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 profit or loss 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.

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.

continued...

2. ACCOUNTING POLICIES - continued

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 measure in no more than three months from the date of acquisition and that are readily convertible to known amount of cash with insignificant risk of change in value.

3. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Directors' emoluments	1,006,000	703,300

During the year, no retirement benefits were accruing for any directors in respect if defined contribution schemes.

The highest paid directors received remuneration of £ 352,000 (2021 : £ 234,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £ Nil (2021: £ Nil)

4. OPERATING PROFIT

The operating profit is stated after changing:

	2022	2021
	£	£
Depreciation of tangible fixed assets	105,942	7,697
Amortisation of intangible assets	351,652	7,480
Other operating lease rentals	106,133	62,880

Auditor's remuneration

	2022	2021
Fees payable to the company's auditor for the audit of the company's annual financial statements	81,750	77,250
Fees payable to the company's auditor in respect of:		
Accounts preparation services	3,500	3,142
Taxation compliance services	7,000	7,100
Data submission assurance	-	8,500
	10,500	18,742

continued...

5. **TAXATION**

Corporate tax

	2022	2021
	£	£
Current tax on profit for the year	1,470,945	84,429
Total current tax	1,470,945	84,429

Deferred tax

Timing difference	(359,559)	5,958
Total deferred tax	(359,559)	5,958
	1,111,386	90,387

Factors affecting tax charge for the year/period

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£	£
Profit on ordinary activities before tax	5,380,049	399,691
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021:19%)	1,022,209	75,941
Effect of :		
Expenses not deductible for tax purpose	520,363	14,446
Software additions and brought forward	(66,814)	-
Capital allowance	(4,813)	-
Deferred tax effect	(359,559)	-
Total tax charged for the year	1,111,386	90,387

6. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 April 2021	131,123
Additions	251,652
At 31 March 2022	382,775
AMORTISATION	
At 1 April 2021	31,123
Amortisation for year	351,652
At 31 March 2022	382,775
NET BOOK VALUE	
At 31 March 2022	-
At 31 March 2021	100,000

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2021	9,700	126,454	53,424	189,578
Additions	2,710	96,961	11,561	111,232
At 31 March 2022	12,410	223,415	64,985	300,810
DEPRECIATION				
At 1 April 2021	4,947	126,454	9,955	141,356
Charge for year	2,482	96,961	6,499	105,942
At 31 March 2022	7,429	223,415	16,454	247,298
NET BOOK VALUE				
At 31 March 2022	4,981	-	48,531	53,512
At 31 March 2021	4,753	-	43,469	48,222

continued...

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2021	
and 31 March 2022	1,111
NET BOOK VALUE	
At 31 March 2022	1,111
At 31 March 2021	1,111

The following was a subsidiary undertaking of the company;

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

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.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	68,172,019	13,101,706
Other debtors	7,108,378	547,765
Due from related parties	5,580,490	920,789
Tax	390,018	30,459
Prepayments	305,509	667,434
Accrued income	81,671,163	33,978,298
	163,227,577	49,246,451

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other loans (see note 11)	3,070,212	-
Trade creditors	60,040,424	7,198,403
Tax	1,416,280	433,907
Social security and other taxes	28,119,003	11,084,156
Other creditors	3,125	72,625
Due to related parties	256,127	256,127
Accruals and deferred income	85,033,102	35,887,695
	177,938,273	54,932,913

continued...

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Registration of charges

The company has created a charge on 19th August 2021 for SCMI Limited.

Brief description of the charge:
All of the company's plant and machinery, book and other debts and any other sums payable to the company, the benefit of all contracts, deeds and agreements, all intellectual property rights, goodwill and uncalled capital and undertaking, in each case both owned by the company now or in the future.
This charge contains fixed charges and floating charges. Floating charges covers all the property or undertaking of the company. Further the charge also contains negative pledge.

The company has created a charge on 16th September 2021 for Wales & West Utilities Limited.

Brief description of the charge:
The company with full title guarantee and as a continuing security for the payment and discharge of the secured liabilities set out in the instrument of charges by way of fixed charge to Wales & West Utilities Limited all the company's right, title and interest in and to the deposit which may vary in amount under the instrument. There are no floating charges. The term of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge (contains negative pledge).

11. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Other loans	3,070,212	-

12. FINANCIAL INSTRUMENTS

Financial assets

	2022 £	2021 £
Financial assets measured at fair value through profit or loss	21,247,506	7,859,899
Financial assets that are debt instruments measured at amortised cost	162,533,161	48,549,669
	183,780,667	56,409,568

Financial liabilities		
Financial liabilities measured at amortised cost	(148,402,990)	(43,414,850)
	(148,402,990)	(43,414,850)

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, amounts owed by group undertakings, trade deposits and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accrual, and other loans.

13. CALLED UP SHARE CAPITAL

	2022 £	2021 £
Allotted, called up and fully paid		
11,120 (2021: 11,120) Ordinary shares of £ 0.001 each	11	11

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

14. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2021	2,142,760	179,999	2,322,759
Profit for the year	4,268,663		4,268,663
At 31 March 2022	6,411,423	179,999	6,591,422

15. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administrated fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £ 102,250 (2021 : £33,570)

continued...

16. ULTIMATE PARENT COMPANY

The company is fully owned by the Pozitive Holdings Limited which is a company registered in the United Kingdom.

17. OTHER FINANCIAL COMMITMENTS

As of 31 March 2022 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Not later than 1 year	88,000	88,000
Later than 1 year and not later than 5 year	80,667	183,999
	168,667	271,999

continued...

18. RELATED PARTY DISCLOSURES

Transactions with Pozitive Electricity and Gas Private Limited:

During the period, Positive Energy Ltd recognised recharges totalling £ 1,384,316 (2021: £ 1,040,196) from Pozitive Electricity and Gas Private Limited, its subsidiary undertaking. At the year end, included within accrual balance of £ Nil (2021: £ 2,000) relating to recharges not invoiced at the year end.

Balances with shareholders and related parties:

At the year end, the company was owed £ 298,796 (2021: £144,102) by Smart Pay Energy Ltd, which is included in amounts due from group undertakings. A related party by virtue of common directorship.

At the year end, the company was owed £ 117,500 (2021: £159,811) by Pozitive Insurance Solutions, which is included in amounts due from group undertakings. A related party by virtue of common directorship.

At the year end, the company was owed £ 1,074,866 (2021: £400,969) by Enpass Limited, which is included in amounts due from group undertakings. A related party by virtue of common directorship.

At the year end, the company was owed by Mpass Ltd £ 3,740,068 (2021: £212,947), which is included in amounts due from group undertakings. A related party by virtue of common directorship.

At the year end, the company was owed by Pozitive Payments Ltd £ 346,904 (2021: £605), which is included in amounts due from group undertakings. A related party by virtue of common directorship.

At the year end, the company owed Pozitive India £1,111 (2021: £1,111), which is included in amounts owed to group undertaking..

At the year end, the company owed Ken Campbell & Co Ltd £255,016 (2021: £255,016), which is included within amounts owed to group undertaking.

During the year ended 31 March 2022, N Bhatia owed the company £ 2,355 (2021: £2,355). A related party by virtue of his shareholding.

During the year ended 31 March 2022, Sarah Daniels (the wife of S Daniels) received remuneration of £ 50,000 (2021 £ 50,000).

During the year ended 31 March 2022, Maria Baker (the wife of K Campbell) received remuneration of £ 50,000 (2021 £ 50,000).

Key management personal:

Key management remuneration in the period was £ 1,006,000 (2021: £ 703,300).

19. POST BALANCE SHEET EVENTS

There are no post balance sheets events that require adjustments or disclosures in the financial statements for the year ended 31 March 2022.

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.