

POZITIVE ENERGY LTD

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**



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

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Analysis of net debt	13
Notes to the financial statements	14 - 29

POZITIVE ENERGY LTD

**STRATEGIC REPORT
FOR THE PERIOD ENDED 31 MARCH 2020**

The Directors present their strategic report and the audited financial statements for the 11 month period ended 31 March 2020.

The company shortened its financial year to 11 months ending 31 March 2020, to bring the company's year-end in line with the majority of the industry.

Business review

The traditional utilities business model has been undergoing disruptive change over the last few years driven by the decentralization of energy grid with growing penetration of renewables in the generation mix. Renewable energy has been the fastest growing energy segment over the last few years and as this trend accelerates it is creating the need for next-generation technology that will accelerate the uptake of green energy and roll out of electric vehicles while leveraging advanced analytics and machine learning enabled tools to provide customers with transparency on their energy consumption.

For too long utilities have been reliant on old and archaic systems that do not leverage the power of digital technology to not only simplify and automate core process operations but also to bring innovation in their products and tariffs.

Pozitive Energy Ltd was born with the vision to build a next-generation energy business by keeping technology at the core of everything. Our mission is to help our customers meet their net zero targets. We 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. We continue to invest in further enhancing and growing our technology platform's capabilities by driving automation in core operations to further improve our market-leading costs-to-serve while building customer-centric technology that will put 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 renewable energy supply with value-added services delivered through our proprietary technology platforms. We also aim to bring our unique technology to the wider market under a SaaS model under the Enpaas (Energy Platforms as a Service) brand.

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.

Key performance indicators

	2020	2019	2018
	£,000	£,000	£,000
Revenue	143,913	109,662	18,867
Gross profit margin %	4.2%	3.1%	7.5%
Operating profit margin %	1.7%	0.9%	2.1%
Profit before taxation	2,444	976	406
Value of future secured contracts	255m	228.6m	109.2m

POZITIVE ENERGY LTD

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2020

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 in back-to-back arrangements to our client contracts.

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 has been to ensure 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.

Customer debt

The economy in general has continued to be challenging throughout the period, particularly due to the uncertainty due to Brexit and will be further affected by COVID-19. 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.

Financial risk management

As mentioned above, we hedge our commodity purchases to mitigate any increase in unit prices. This helps safeguard our future profitability.

We have introduced further credit checks before we take on a new client and are constantly monitoring our client base. We have increased our dedicated credit control team who follow a robust process and take appropriate action when necessary.

System downtime and any resultant financial impact has been mitigated to a negligible level due to our business continuity plan that allowed us to continue operations without any downtime since the onset of the COVID-19 pandemic.

Statement of Compliance with Section 172 of the Companies Act 2006

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.

POZITIVE ENERGY LTD

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2020**

Future developments

After delivering another profitable period in a competitive market environment, the company is now aiming to accelerate its growth into UK and other energy markets and for this purpose has appointed advisors to raise growth capital from institutional investors.

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

niraj bhatia

N Bhatia
Director

Date: 11/5/2021

POZITIVE ENERGY LTD

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2020**

The directors present their report on the audited financial statements for Pozitive Energy Ltd ("the company"), together with the financial statements and auditor's report, for the 11 month period ended at 31 March 2020.

The company's year-end was brought forward by 1-month to bring it in line with the industry financial year.

Principal activity

The company's principal activity during the period was that of a renewable energy supplier selling renewable power and offering carbon-neutral gas tariffs to a range of businesses in the UK.

Results and dividends

The profit for the period, after taxation, amounted to £1,973,138 (2019: £781,569).

Dividends of £1,000,000 were paid during the period ended 31 March 2020 (2019: £Nil). The directors do not propose a final dividend.

Directors

The directors who served during the period 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 - 3. These matters relate to the principal risks that it faces and future developments.

POZITIVE ENERGY LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2020**

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.

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.

Niraj Bhatia

N Bhatia
Director

Date: 11/5/2021

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 period from 1 May 2019 to 31 March 2020, 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 31 March 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the company has been in technical breach of financial covenants with the said breaches occurring post the accounting period. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern should an enforcement event occur. Our opinion is not modified in respect of this matter.

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 period 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 POZITIVE ENERGY LTD (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 5, 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: 11/5/2021

POZITIVE ENERGY LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2020**

	Note	11 month period ended 31 March 2020 £	30 April 2019 £
Turnover	4	143,912,500	109,661,636
Cost of sales		(137,910,876)	106,233,880)
Gross profit		6,001,624	3,427,756
Administrative expenses		(3,557,192)	(2,451,302)
Operating profit	5	2,444,432	976,454
Profit before tax		2,444,432	976,454
Taxation	9	(471,294)	(194,885)
Profit for the financial period		1,973,138	781,569

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 14 to 29 form part of these financial statements.

POZITIVE ENERGY LTD
REGISTERED NUMBER:09523048

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	11 month period ended 31 March 2020 £	30 April 2019 £
Fixed assets			
Intangible assets	11	100,000	100,000
Tangible assets	12	17,503	12,001
Investments	13	1,111	1,111
		<u>118,614</u>	<u>113,112</u>
Current assets			
Debtors: amounts falling due within one year	14	37,427,057	31,222,377
Cash at bank and in hand	15	7,194,364	545,186
		<u>44,621,421</u>	<u>31,767,563</u>
Creditors: amounts falling due within one year	16	(42,726,569)	(30,838,473)
Net current assets		<u>1,894,852</u>	<u>929,090</u>
Total assets less current liabilities		<u>2,013,466</u>	<u>1,042,202</u>
Provisions for liabilities			
Deferred tax	18	-	(1,874)
Net assets		<u><u>2,013,466</u></u>	<u><u>1,040,328</u></u>
Capital and reserves			
Called up share capital	19	11	11
Share premium account	20	179,999	179,999
Profit and loss account	20	1,833,456	860,318
		<u><u>2,013,466</u></u>	<u><u>1,040,328</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11/5/2021

Ken Campbell

K Campbell
 Director

The notes on pages 14 to 29 form part of these financial statements.

POZITIVE ENERGY LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2019	11	179,999	860,318	1,040,328
Comprehensive income for the period				
Profit for the period	-	-	1,973,138	1,973,138
Dividends: Equity capital	-	-	(1,000,000)	(1,000,000)
At 31 March 2020	11	179,999	1,833,456	2,013,466

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 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	11	179,999	860,318	1,040,328

The notes on pages 14 to 29 form part of these financial statements.

POZITIVE ENERGY LTD

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2020

	11 month period ended 31 March 2020 £	30 April 2019 £
Cash flows from operating activities		
Profit for the financial period	1,973,138	781,569
Adjustments for:		
Amortisation of intangible assets	6,240	17,403
Depreciation of tangible assets	21,411	110,636
Taxation charge	576,859	174,885
(Increase) in debtors	(6,168,263)	(24,241,046)
Increase in creditors	11,467,252	22,656,503
Corporation tax (paid)/received	(194,306)	-
Net cash generated from operating activities	7,682,331	(500,050)
Cash flows from investing activities		
Purchase of intangible fixed assets	(6,240)	(17,403)
Purchase of tangible fixed assets	(26,913)	(116,993)
Net cash from investing activities	(33,153)	(134,396)
Cash flows from financing activities		
Dividends paid	(1,000,000)	-
Net cash used in financing activities	(1,000,000)	-
Net increase/(decrease) in cash and cash equivalents	6,649,178	(634,446)
Cash and cash equivalents at beginning of period	545,186	1,179,632
Cash and cash equivalents at the end of period	7,194,364	545,186
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	7,194,364	545,186
	7,194,364	545,186

The notes on pages 14 to 29 form part of these financial statements.

POZITIVE ENERGY LTD

**ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 31 MARCH 2020**

	At 1 May 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	545,186	6,649,178	7,194,364
	545,186	6,649,178	7,194,364

The notes on pages 14 to 29 form part of these financial statements.

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

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 prepared and considered detailed trading and cashflow forecasts, and continue to monitor and update these regularly.

It is to be highlighted that the company has been in breach of financial covenants in its creditor agreement with Shell Energy Europe Ltd with these breaches occurring post the accounting period covered in this report. The said breaches have occurred due to Covid induced impacts and from company's growth in the industrial and commercial supply sector which is lower margin compared to SME sector.

Were Shell Energy Europe Ltd to enforce its covenant rights as they currently stand, the Company may be unable to access sufficient liquidity to continue in operation. The directors consider that the likelihood of this occurring is remote, however they recognise that if an enforcement event occurs it would create significant doubt that may impact on the company's ability to continue as a going concern and consequently, at the date of approving the financial statements, management has concluded that a material uncertainty exists in respect of the appropriateness of the going concern basis of accounting.

We note that in its Creditor agreement with Shell Energy Europe Ltd, the company has triggered the covenant reset clause once the company met a pre-defined threshold of industrial and commercial volume in its portfolio and is currently in the process of agreeing new covenants in line with its new business plan. Consequently, the directors have concluded that the company is a going concern and have prepared these financial statements on a going concern basis.

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

2. Accounting policies (continued)**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.

2.6 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss 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.

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

2. Accounting policies (continued)

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
----------	---	-------------------

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.

The company's software intangible asset is depreciated to a residual value of £100,000.

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

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 profit or loss.

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 PERIOD ENDED 31 MARCH 2020**

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 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.

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 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 concessionary 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.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

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 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.

4. Turnover

All turnover is attributable to the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	11 month period ended 31 March 2020 £	<i>30-April 2019 £</i>
Depreciation of tangible fixed assets	21,411	110,636
Amortisation of intangible assets	6,240	17,403
Fees payable to the company's auditor for the audit of the company's annual financial statements	48,250	39,950
Other operating lease rentals	42,948	-
Defined contribution pension cost	11,788	5,986
	<u>111,637</u>	<u>174,075</u>

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

6. Auditor's remuneration

	11 month period ended 31 March 2020 £	30 April 2019 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	48,250	39,950
Fees payable to the company's auditor in respect of:		
Accounts preparation services	3,050	3,000
Taxation compliance services	6,900	5,750
	9,950	8,750

7. Employees

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

	11 month period ended 31 March 2020 £	30 April 2019 £
Wages and salaries	1,057,631	788,175
Social security costs	72,099	65,109
Cost of defined contribution scheme	11,788	5,986
	1,141,518	859,270

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

	11 month period ended 31 March 2020 No.	30 April 2019 No.
	19	15

POZITIVE ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

8. Directors' remuneration

	11 month period ended 31 March 2020 £	30 April 2019 £
Directors' emoluments	626,633	466,850
Company contributions to defined contribution pension schemes	-	403
	<u>626,633</u>	<u>467,253</u>

During the period/year, no retirement benefits were accruing to any directors (2019: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £209,000 (2019: £151,250).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2019: £134).

9. Taxation

	11 month period ended 31 March 2020 £	30 April 2019 £
Corporation tax		
Current tax on profits for the period/year	509,585	194,306
Adjustments in respect of previous period	-	(1,295)
	<u>509,585</u>	<u>193,011</u>
Total current tax	<u>509,585</u>	<u>193,011</u>
Deferred tax		
Origination and reversal of timing differences	(38,291)	1,874
Total deferred tax	<u>(38,291)</u>	<u>1,874</u>
Taxation on profit on ordinary activities	<u>471,294</u>	<u>194,885</u>

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

9. Taxation (continued)**Factors affecting tax charge for the period/year**

The tax assessed for the period is the same as (2019: *higher than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	11 month period ended 31 March 2020 £	30 April 2019 £
Profit on ordinary activities before tax	2,444,432	976,454
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	464,442	185,526
Effects of:		
Expenses not deductible for tax purposes	6,631	9,802
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	(221)
Deferred tax not recognised	-	959
Total tax charge for the period/year	471,294	194,885

10. Dividends

	31 March 2020 £	30 April 2019 £
Dividends	1,000,000	-

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

11. Intangible assets

	Software Licence £
Cost	
At 1 May 2019	117,403
Additions	6,240
At 31 March 2020	<u>123,643</u>
Amortisation	
At 1 May 2019	17,403
Charge for the period on owned assets	6,240
At 31 March 2020	<u>23,643</u>
Net book value	
At 31 March 2020	<u><u>100,000</u></u>
At 30 April 2019	<u><u>100,000</u></u>

Amortisation on intangible assets is charged to administrative expenses.

The software asset is depreciated to a residual value of £100,000.

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

12. Tangible fixed assets

	Motor vehicles £	Equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 May 2019	107,960	11,289	5,000	124,249
Additions	18,079	5,634	3,200	26,913
At 31 March 2020	<u>126,039</u>	<u>16,923</u>	<u>8,200</u>	<u>151,162</u>
Depreciation				
At 1 May 2019	107,960	2,921	1,367	112,248
Charge for the period on owned assets	18,079	1,692	1,640	21,411
At 31 March 2020	<u>126,039</u>	<u>4,613</u>	<u>3,007</u>	<u>133,659</u>
Net book value				
At 31 March 2020	<u>-</u>	<u>12,310</u>	<u>5,193</u>	<u>17,503</u>
At 30 April 2019	<u>-</u>	<u>8,368</u>	<u>3,633</u>	<u>12,001</u>

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2019	1,111
At 31 March 2020	<u>1,111</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Pozitive Electricity 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 nor loss for the year ended 31 March 2020. The carrying value of the investments and the aggregate of the share capital and reserves as at 31 March 2020 was as follows:

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

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.

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

14. Debtors

	31 March 2020 £	30 April 2019 £
Trade debtors	11,960,328	7,999,404
Amounts owed by group undertakings	5,284	-
Other debtors	2,642,439	5,949,890
Deferred taxation	36,417	-
Prepayments	754,291	1,757,433
Accrued income	22,028,298	15,515,650
	<u>37,427,057</u>	<u>31,222,377</u>

A bad debt provision of £1,124,994 (2019: £290,771) was recognised against trade debtors.

15. Cash and cash equivalents

	31 March 2020 £	30 April 2019 £
Cash at bank and in hand	<u>7,194,364</u>	<u>545,186</u>

16. Creditors: Amounts falling due within one year

	31 March 2020 £	30 April 2019 £
Trade creditors	2,645,850	2,426,732
Amounts owed to group undertakings	143,736	-
Corporation tax	508,290	193,011
Other taxation and social security	3,946,266	1,469,511
Other creditors	16,932	674,991
Accruals and deferred income	35,465,495	26,074,228
	<u>42,726,569</u>	<u>30,838,473</u>

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

17. Financial instruments

	31 March 2020 £	30 April 2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	7,194,364	545,186
Financial assets that are debt instruments measured at amortised cost	36,632,176	29,466,055
	<u>43,826,540</u>	<u>30,011,241</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(38,128,277)</u>	<u>(29,175,951)</u>

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.

18. Deferred taxation

	2020 £
At beginning of period	(1,874)
Charged to profit or loss	38,291
At end of period	<u>36,417</u>

The deferred taxation balance is made up as follows:

	31 March 2020 £	30 April 2019 £
Origination and reversal of timing differences	36,417	(1,874)
	<u>36,417</u>	<u>(1,874)</u>

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

19. Share capital

	31 March 2020 £	<i>30 April 2019 £</i>
Allotted, called up and fully paid		
1,112 (2019: 1,112) Ordinary shares of £0.01 each	11	<i>11</i>

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

20. 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.

21. 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 £11,788 (2019: £5,986).

22. Commitments under operating leases

At 31 March 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	31 March 2020 £	<i>30 April 2019 £</i>
Not later than 1 year	42,948	<i>26,500</i>
Later than 1 year and not later than 5 years	468	<i>22,664</i>
	43,416	<i>49,164</i>

POZITIVE ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

23. Related party transactions

Transactions with Pozitive Electricity and Gas Private Limited:

During the period Pozitive Energy Ltd recognised recharges totalling £975,460 (2019: £622,052) from Pozitive Electricity and Gas Private Limited, its subsidiary undertaking. At the period end, included within accruals is a balance of £23,648 (2019: £169,765) relating to recharges not invoiced at the period end.

Balances with shareholders and related parties:

At the period end, the company owed Pozitive India £1,111 (2019: £1,111) which is included within other creditors.

At the period end, the company owed Ken Campbell & Co Ltd £120,000 which is included within other creditors, its subsidiary undertaking.

At the period end the company owed V Kumar £18,846 (2019: £50,000) which is included within other creditors. A related party by virtue of his shareholding.

At the period end the company owed Kontact Points UK Limited £1,000 (2019: £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 period end the company owed Your Info Tech Partners £21,625 (2019: £21,625) which is included within other creditors. Your Info Tech Partners is owned by C Bhatia, wife of N Bhatia.

During the period ended 31 March 2020, N Bhatia owed the company £2,354 (2019: £Nil), which is included within trade debtors. Total purchases during the period amounted to £2,354. A related party by virtue of his shareholding.

During the period ended 31 March 2020, S Daniels owed the company £2,930 (2019: £Nil), which is included within trade debtors. Total purchases during the period amounted to £2,930. A related party by virtue of his shareholding.

During the period ended 31 March 2020, Sarah Daniels (the wife of S Daniels) received remuneration of £51,067 (2019: £50,213).

During the period ended 31 March 2020, Maria Barker (the wife of K Campbell) received remuneration of £51,067 (2019: £50,213).

Key management personnel:

Key management remuneration in the period was £626,633 (2019: £338,724).

24. Controlling party

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