

ANNUAL REPORT AND FINANCIAL  
STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

POZITIVE ENERGY LIMITED

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# POZITIVE ENERGY LIMITED

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## COMPANY INFORMATION

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Directors	N Bhatia K F Campbell S J Daniels V Kumar
Registered number	09523048
Registered office	One Canada Square Canary Wharf Floor 10 (North West) London E14 5AB
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT

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# POZITIVE ENERGY LIMITED

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# POZITIVE ENERGY LIMITED

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## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Introduction

The directors present their strategic report and the audited financial statements for the 12 months period ended 31 March 2023.

### Business review

Pozitive Energy was established 7 years ago and we continue to leverage technology to digitalize the traditional utilities business model by creating a robust low cost-to-acquire, low cost-to-serve business model in an otherwise challenging marketplace. 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.

We are now exclusively a B2B supplier primarily focused on the MSME segment of the market, having already notified OFGEM of our intention to exit the small base of domestic customers in our portfolio, which means that we now have better control over the management of our customer portfolio. We offer competitively priced energy supply with value-added services across Great Britain.

Automation as well as our partner network are core to our business and we leverage them to launch new products and capabilities that are better suited to meet the evolving needs of the marketplace, e.g. better demand-side management/load shifting through front-end customer-friendly tools that allow customers to better manage their usage, offering public EV charging capability to our customers to increase their footfall and profitability, while increasing consumption and revenues for us, as well as offering longer-term contracts based on frameworks rather than fixed price contracts, minimising the risk of higher-price lock-ins and reducing our own need for wholesale Forward contracts. This is also being supported by the roll-out of smart meters and the ongoing development of our own proprietary Smart Adapter tool that will give us greater access to usage data. This in turn will facilitate our customers achieve greater sustainability through better understanding of time-of-use and load-shifting to off-peak hours.

The UK energy market has experienced unprecedented price volatility over the recent period, which is exacerbated by geopolitical events, not least the conflict in the Middle East, the ongoing Russian invasion of Ukraine, even as businesses recover from the COVID pandemic. High interest rates have further constrained business growth in recent times as measures to control inflation are put into effect. This has resulted in several players exiting the MSME segment of the market enabling us to continue to maintain our growth trajectory by leveraging our low cost-to-acquire and a low cost-to-serve business model.

Despite the markets have been challenging during the period reported, but we are pleased to report that the company has continued to build a highly diversified and high-quality customer base with minimal dependencies on any major customer group or market segment. The successful onboarding of a significantly large number of customers during our appointment as SoLR (Supplier Last Resort) by Ofgem for CNG customers in late 2021, allowed us to demonstrate the scalability of our platform. We continue to grow our partner base through the ongoing increase in the number of TPIs (third party intermediaries), and through them, adding new customers on an ongoing basis.

The Company has also strengthened its management structure with a number of senior appointments across finance, general management and technology areas in recent times to support its ongoing growth trajectory. Alongside the move of our principal office to One Canada Square in London, we will also be embarking on increasing our presence in the market place through greater investment in marketing and PR as well as leveraging the strength of the Pozitive brand.

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# POZITIVE ENERGY LIMITED

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## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 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:

1. **Wholesale commodity prices:** We mitigate increases in commodity prices by hedging our commodity purchases by forecasting customers' consumption over the contract term. We are also looking to reduce the need for hedging where appropriate, by introducing framework-based products that offer monthly/daily variable pricing for customers that are not looking to lock themselves to a fixed price over their contract term.
2. **Geo-political risks:** We continue to be subjected to multiple conflicts involving key energy supply chain sources/routes including Russia and the Middle East which have impacted wholesale prices, resulting in inflation and volatility in the price at which the company is able to sell energy to its customers. We work closely with our TPIs to offer competitive products and assist customers in dealing with the uncertain environment.
3. **Interest Rates:** While interest rates have risen significantly over the last 12 months, while we are shielded from any direct impact of this rise in interest rates due to the absence of any significant borrowings. We are however not immune to its indirect impact from price rises in our input costs, as well as the impact it on our customer base. We continue to monitor our costs closely and work with our customers and partners to assist them where appropriate.
4. **Technology:** The use of our own proprietary technology systems for core operations, the ongoing investment in the latest technology assets, secure cloud environment and deep data harnessing capability have allowed us to grow rapidly without being constrained by our systems. The Company also maintains a business continuity plan wherein 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.
5. **Customer debt:** We continue to battle the combined effects of the COVID aftermath, geopolitical uncertainties and higher interests rates that have created uncertainties for the business sector. However, our focus on the MSME segment across a wide range of verticals has also enabled us to minimise the risk of any single point of failure. Investment in establishing better credit control/monitoring by leverage deep data and AI capability, and better debt management through outsourcing of legal processes and debt collection will also enable us to better manage our portfolio quality.

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# POZITIVE ENERGY LIMITED

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## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### Financial & other key performance indicators

The business actively tracks the proportion of its supply for both power and gas that is hedged as a measure of risk mitigation in volatile markets. This is also a measure that is required to be reported to OFGEM and our trading partners on a monthly basis. Additionally, we continue to see significant growth in the number of meter points as a measure of revenue diversification across both electricity and gas.

	2023	2022
Revenue (£'000s)	1,040,121	449,359
Gross profit margin %	8.1%	4.2%
Operating profit margin %	2.7%	1.1%
Profit before taxation (£'000s)	28,070	5,380
Value of future secured contracts	1,575m	584m
Electricity Supply Hedged	93%	91%
Gas Supply Hedged	94%	92%
Electricity Meter Points	70,333	42,121
Gas Meter Points	36,489	28,119

### Directors' statement of compliance with duty to promote the success of the Company

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 and India. For its UK operations, the company is a low energy user.

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

**N Bhatia**  
Director

Date: 23 February 2024

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# POZITIVE ENERGY LIMITED

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## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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

### 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the Company's financial statements 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 to 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.

### Results and dividends

The profit for the year, after taxation, amounted to £22,782,376 (2022 - £4,268,663).

No dividend was proposed or paid in the year (2022 - nil).

### Directors

The Directors who served during the year were:

N Bhatia  
K F Campbell  
S J Daniels  
V Kumar

### Future developments

The Company is aiming to expand its market coverage through the roll-out of public EV chargers at customer sites, which has the potential to significantly enhance energy supplied over the coming years, as adoption of electric vehicles ramps up.

Further, the roll-out of smart meters across the customer base will progressively reduce the proportion of billing that is reliant on industry estimates, bringing down the reconciliation time from 14 months to 4 months and correspondingly better working capital management.

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# POZITIVE ENERGY LIMITED

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## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Post balance sheet events

There have been no significant events affecting the Company since the year end.

### Auditors

The auditors, Menzies LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

**N Bhatia**

Director

Date: 23 February 2024



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POZITIVE ENERGY LIMITED**

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**Opinion**

We have audited the financial statements of Pozitive Energy Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 2023 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 United Kingdom, including the Financial Reporting Council'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 other information comprises the information included in the annual report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POZITIVE ENERGY LIMITED  
(CONTINUED)**

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**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**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 Directors' Report.

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

- adequate accounting records have not been kept, 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 4, 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POZITIVE ENERGY LIMITED  
(CONTINUED)**

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**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 an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting

legislation. We determined that the following laws and regulations were most significant including:

- Companies Act 2006;
- Financial Reporting Standard 102;
- Criminal Finances Act;
- OFGEM;

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of relevant documentation.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. No issues were identified in this area. We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Posting of unusual journals and complex transactions; or
- The use of management override of controls to manipulate results, or to cause the Company to enter into transactions not in its best interests.

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 regulation. 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POZITIVE ENERGY LIMITED  
(CONTINUED)

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**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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Robin Hopkins FCA (Senior Statutory Auditor)

for and on behalf of

**Menzies LLP**

Chartered Accountants

Statutory Auditor

Lynton House

7-12 Tavistock Square

London

WC1H 9LT

23 February 2024

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# POZITIVE ENERGY LIMITED

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

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	Note	2023 £	2022 £
Turnover	4	1,040,120,562	449,359,989
Cost of sales		(955,625,315)	(430,146,864)
<b>Gross profit</b>		<b>84,495,247</b>	<b>19,213,125</b>
Administrative expenses		(56,431,641)	(13,833,076)
<b>Operating profit</b>	5	<b>28,063,606</b>	<b>5,380,049</b>
Interest receivable and similar income		6,074	-
<b>Profit before tax</b>		<b>28,069,680</b>	<b>5,380,049</b>
Tax on profit	10	(5,287,304)	(1,111,386)
<b>Profit for the financial year</b>		<b>22,782,376</b>	<b>4,268,663</b>

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 13 to 24 form part of these financial statements.

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# POZITIVE ENERGY LIMITED

REGISTERED NUMBER:09523048

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## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

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	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	12	419,130	53,512
Investments	13	4,893,425	1,111
		<u>5,312,555</u>	<u>54,623</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	312,740,421	163,227,577
Cash at bank and in hand	15	179,647,839	21,247,506
		<u>492,388,260</u>	<u>184,475,083</u>
Creditors: amounts falling due within one year	16	(468,327,006)	(177,938,273)
<b>Net current assets</b>		<u>24,061,254</u>	<u>6,536,810</u>
<b>Total assets less current liabilities</b>		<u>29,373,809</u>	<u>6,591,433</u>
<b>Net assets</b>		<u><u>29,373,809</u></u>	<u><u>6,591,433</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	11	11
Share premium account	19	179,999	179,999
Profit and loss account	19	29,193,799	6,411,423
		<u><u>29,373,809</u></u>	<u><u>6,591,433</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 February 2024.

**K F Campbell**  
Director

The notes on pages 13 to 24 form part of these financial statements.

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# POZITIVE ENERGY LIMITED

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## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
<b>At 1 April 2021</b>	<b>11</b>	<b>179,999</b>	<b>2,142,760</b>	<b>2,322,770</b>
Profit for the year	-	-	4,268,663	4,268,663
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,268,663</b>	<b>4,268,663</b>
<b>At 1 April 2022</b>	<b>11</b>	<b>179,999</b>	<b>6,411,423</b>	<b>6,591,433</b>
Profit for the year	-	-	22,782,376	22,782,376
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>22,782,376</b>	<b>22,782,376</b>
<b>At 31 March 2023</b>	<b>11</b>	<b>179,999</b>	<b>29,193,799</b>	<b>29,373,809</b>

The notes on pages 13 to 24 form part of these financial statements.

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# POZITIVE ENERGY LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 1. General information

Pozitive Energy Ltd is a private company limited by shares and incorporated in England and Wales. Its registered office is located at Floor 10 (North West), One Canada Square, Canary Wharf, London, E14 5AB. The Company's registered number is 09523048.

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

### 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 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Pozitive Holdings Limited as at 31 March 2023 and these financial statements may be obtained from Companies House.

#### 2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Energy supply revenue is recognised on the basis of electricity and gas supplied during the period and is attributable to the supply of electricity and gas.

This includes an estimate of the sales value of units supplied to customers between the date of the last meter reading and the year-end. Any unbilled revenue is included in accrued income to the extent that it is considered recoverable, based on historical data..



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# POZITIVE ENERGY LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 2. Accounting policies (continued)

#### 2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

#### 2.7 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

#### 2.8 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.

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 computer software is fully amortised in the year of purchase.

#### 2.9 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 basis
Fixtures and fittings	-	20%	straight-line basis
Office 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 disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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# POZITIVE ENERGY LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 2. Accounting policies (continued)

#### 2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.11 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

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

##### Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

#### 2.12 Current and deferred taxation

The tax expense for the year 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 reporting 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 reporting 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 reporting date.

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# POZITIVE ENERGY LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 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 reporting 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 Statement of Financial Position.

### 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.

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

#### Bad Debt

A provision against bad debt is calculated based on the aging of debts and other knowledge by management of the likelihood of debts being paid

### 4. Turnover

The whole of the turnover is attributable to the principal activity specified in note 1 and arose solely within the United Kingdom.

Included within turnover is £202,500,148 (2022 - £Nil) in relation to the government's Energy Price Guarantee and Energy Bills Relief Scheme.

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# POZITIVE ENERGY LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 5. Operating profit

The operating profit is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets	145,370	105,942
Amortisation of intangible assets	-	351,652
Other operating lease rentals	<u>111,285</u>	<u>106,133</u>

### 6. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2023	2022
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	120,000	81,750

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

### 7. Employees

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

	2023	2022
	£	£
Wages and salaries	2,283,944	1,857,318
Social security costs	286,744	193,146
Cost of defined contribution scheme	554,677	102,250
	<u>3,125,365</u>	<u>2,152,714</u>

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

	2023	2022
	No.	No.
Employees	<u>22</u>	<u>18</u>

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# POZITIVE ENERGY LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	1,480,000	1,006,000
	<u>1,480,000</u>	<u>1,006,000</u>

The highest paid Director received remuneration of £480,000 (2022 - £352,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2022 - £NIL).

### 9. Interest receivable

	2023 £	2022 £
Other interest receivable	6,074	-
	<u>6,074</u>	<u>-</u>

### 10. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	5,167,633	1,470,945
Adjustments in respect of previous periods	10,496	-
	<u>5,178,129</u>	<u>1,470,945</u>
<b>Total current tax</b>	<u>5,178,129</u>	<u>1,470,945</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	109,175	(359,559)
<b>Total deferred tax</b>	<u>109,175</u>	<u>(359,559)</u>
<b>Tax on profit</b>	<u>5,287,304</u>	<u>1,111,386</u>

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# POZITIVE ENERGY LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 10. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>28,069,680</u>	<u>5,380,049</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	5,333,239	1,022,209
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	22,764	160,804
Capital allowances for year in excess of depreciation	(29,111)	(71,627)
Adjustments to tax charge in respect of prior periods	10,496	-
Changes to the rate of taxation on deferred tax	(50,084)	-
<b>Total tax charge for the year</b>	<u>5,287,304</u>	<u>1,111,386</u>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

# POZITIVE ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 11. Intangible assets

	Computer software £
<b>Cost</b>	
At 1 April 2022	382,775
At 31 March 2023	382,775
<b>Amortisation</b>	
At 1 April 2022	382,775
At 31 March 2023	382,775
<b>Net book value</b>	
At 31 March 2023	-
<b>At 31 March 2022</b>	-

### 12. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2022	223,415	12,410	64,985	300,810
Additions	94,586	1,637	414,765	510,988
At 31 March 2023	318,001	14,047	479,750	811,798
<b>Depreciation</b>				
At 1 April 2022	223,415	7,429	16,454	247,298
Charge for the year on owned assets	94,586	2,809	47,975	145,370
At 31 March 2023	318,001	10,238	64,429	392,668
<b>Net book value</b>				
At 31 March 2023	-	3,809	415,321	419,130
<b>At 31 March 2022</b>	-	4,981	48,531	53,512

# POZITIVE ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 13. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2022	1,111
Additions	4,892,314
At 31 March 2023	<u>4,893,425</u>

### Subsidiary undertakings

The following were subsidiary undertakings 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 %
First Business Water Limited	One Canada Square, Canary Wharf, Floor 10 (North West), London, England, E14 5AB	Ordinary	100 %

### 14. Debtors

	2023 £	2022 £
Trade debtors	140,098,107	68,172,019
Amounts owed by group undertakings	19,866,358	-
Other debtors	44,040,612	12,688,868
Prepayments and accrued income	108,454,501	81,976,672
Deferred taxation	280,843	390,018
	<u>312,740,421</u>	<u>163,227,577</u>

### 15. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	179,647,839	21,247,506
	<u>179,647,839</u>	<u>21,247,506</u>



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# POZITIVE ENERGY LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	-	3,070,212
Trade creditors	25,197,039	60,040,424
Amounts owed to group undertakings	538,424	256,127
Corporation tax	5,167,633	1,416,280
Other taxation and social security	33,534,459	28,119,003
Other creditors	303,125	3,125
Accruals and deferred income	403,586,326	85,033,102
	<u>468,327,006</u>	<u>177,938,273</u>

Within accruals and deferred income above is £73,927,528 (2022: Nil) relating to government grants received in advance.

### 17. Deferred taxation

	2023 £
At beginning of year	390,018
Charged to profit or loss	(109,175)
<b>At end of year</b>	<u><b>280,843</b></u>

The deferred tax asset is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(101,166)	10,018
Timing differences	382,009	380,000
	<u>280,843</u>	<u>390,018</u>

Capital allowances will reverse over the length the assets are held. The timing differences will reverse in the subsequent period.

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# POZITIVE ENERGY LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 18. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
11,120 (2022 - 11,120) Ordinary shares of £0.001 each	<u>11</u>	<u>11</u>

### 19. Reserves

#### Share premium account

The share premium account represents the premium paid on shares issued less any transaction costs in respect of new shares issued.

#### Profit and loss account

This reserve records retained earnings and accumulated losses.

### 20. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	81,400	88,000
Later than 1 year and not later than 5 years	-	81,400
	<u>81,400</u>	<u>169,400</u>

### 21. Related party transactions

During the year the company recognised recharges totalling £19,866,358 (2022: 1,384,316) from related companies.

During the year the company was charged £ Nil from a company with common shareholders. Amounts due from these companies was £Nil (2022: £5,834,261).

Amounts due from directors at the year end totalled £165,000 (2022:£2,355).

During the year family members of directors received remuneration of £ 100,000 (2022: £100,000).

Key management personnel is considered to be the same as the directors, of which remuneration is disclosed in note 8.

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# POZITIVE ENERGY LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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**22. Controlling party**

The Company's immediate and ultimate parent company is Pozitive Holdings Ltd to which consolidated accounts include this company. The consolidated accounts are available from Companies House for the year ended 31 March 2023.

There is not considered to be one controlling party.

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.