

Registered number: 09657236

INTELLIGENT ENERGY SAVING COMPANY LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 JULY 2021



INTELLIGENT ENERGY SAVING COMPANY LIMITED
REGISTERED NUMBER: 09657236

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	107,142	214,285
Tangible assets	5	6,172	11,570
		<u>113,314</u>	<u>225,855</u>
Current assets			
Stocks		225,544	276,855
Debtors: amounts falling due within one year	6	103,632	266,433
Bank and cash balances		10,190	57,740
		<u>339,366</u>	<u>601,028</u>
Creditors: amounts falling due within one year	7	(5,704,568)	(5,292,588)
Net current liabilities		<u>(5,365,202)</u>	<u>(4,691,560)</u>
Net liabilities		<u>(5,251,888)</u>	<u>(4,465,705)</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		(5,251,889)	(4,465,706)
		<u>(5,251,888)</u>	<u>(4,465,705)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28th JUNE 2022



INTELLIGENT ENERGY SAVING COMPANY LIMITED
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STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2021

Mr S P Banks
Director

The notes on pages 3 to 9 form part of these financial statements.

INTELLIGENT ENERGY SAVING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1. General information

The principal activity of the company is the provision of voltage optimization technology.

The company is a private company limited by shares, which is incorporated and registered in England (no. 09657236). The address of the registered office and principal place of business is Unit 12 Attercliffe Industrial Estate, Fell Road, Sheffield, England, S9 2AL.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

For the company to continue to meet its day to day working capital requirements the company is reliant on injection of additional working capital from investors.

The company remains in a process of restructuring. With significant increases in energy prices the current economic climate has significantly changed and the directors are confident that once fully implemented the business will become cash generative. If it is able to achieve forecast revenue and cost targets then adequate working capital will be available from investors while this is achieved. On that basis the directors have prepared the financial statements on the going concern basis, however this relies on the key assumption that the working capital requirement as described above is fulfilled and therefore there exists a material uncertainty as to whether the company will be able to continue to operate as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements. These financial statements do not include any adjustments if the company was unable to continue as a going concern.

INTELLIGENT ENERGY SAVING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

2. Accounting policies (continued)

2.3 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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which ranges combine of 3 to 4 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

INTELLIGENT ENERGY SAVING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

2. Accounting policies (continued)

2.5 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 estimated useful lives range as follows:

Patents	-	7	years
Development expenditure	-	3	years
Goodwill	-	3	years

2.6 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:

Plant and machinery	- 4 years
Fixtures and office equipment	- 3-4 years

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.

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

INTELLIGENT ENERGY SAVING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

2. Accounting policies (continued)

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads. At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss

2.9 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, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 10 (2020 - 14).

4. Intangible assets

	Patents £	Developmen t expenditur e £	Goodwill £	Total £
Cost				
At 1 August 2020	750,000	991,116	508,408	2,249,524
At 31 July 2021	750,000	991,116	508,408	2,249,524
Amortisation				
At 1 August 2020	535,715	991,116	508,408	2,035,239
Charge for the year on owned assets	107,143	-	-	107,143
At 31 July 2021	642,858	991,116	508,408	2,142,382
Net book value				
At 31 July 2021	107,142	-	-	107,142
At 31 July 2020	214,285	-	-	214,285

INTELLIGENT ENERGY SAVING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

5. Tangible fixed assets

	Plant and machinery £	Fixtures and office equipment £	Total £
Cost or valuation			
At 1 August 2020	19,201	24,815	44,016
At 31 July 2021	19,201	24,815	44,016
Depreciation			
At 1 August 2020	16,853	15,593	32,446
Charge for the year on owned assets	1,466	3,932	5,398
At 31 July 2021	18,319	19,525	37,844
Net book value			
At 31 July 2021	882	5,290	6,172
At 31 July 2020	2,348	9,222	11,570

6. Debtors

	2021 £	2020 £
Trade debtors	56,517	119,764
Other debtors	8,860	7,844
Prepayments and accrued income	38,255	45,978
Tax recoverable	-	92,847
	103,632	266,433

INTELLIGENT ENERGY SAVING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	945,000	945,000
Trade creditors	372,572	420,598
Amounts owed to group undertakings	3,687,086	3,334,586
Other taxation and social security	250,681	182,941
Other creditors	6,899	88,041
Accruals and deferred income	442,330	321,422
	<u>5,704,568</u>	<u>5,292,588</u>

Included in other debtors (2020: Other creditors) at 31 July 2021 is an invoice discounting facility total of £1,016 (2020: £37,404) which represents the amount drawn down under an agreed facility of £1,000,000 and is secured on the associated debts involved and a fixed and floating charge over all assets both present and future

Secured loans

Amounts owed to group undertakings include three loans of £750,000 each. One loan accrues interest at 3% and the other 2 accrue interest at 10%. These loans are secured by a fixed and floating charge over all assets. Intelligent Energy Saving Company Holdings Limited and the ultimate loan note holders have indicated, in the current financial and economic circumstances, it is not their intention to seek repayment of the capital or accrued interest for the foreseeable future.

The loan notes are secured by a fixed and floating charge over all assets, both present and future.

Unsecured loans

Other loans are unsecured loans accruing interest at 10%. The loan note holders have indicated that it is not their intention to seek repayment of the capital or accrued interest for the foreseeable future.

INTELLIGENT ENERGY SAVING COMPANY LIMITED

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8. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1 (2020 - 1) Ordinary shares share of £1.00	<u>1</u>	<u>1</u>

9. Controlling party

The company's parent undertaking is Intelligent Energy Saving Company Holdings Limited, a company incorporated in England and Wales. The registered office and principal place of business of Intelligent Energy Saving Company Holdings Limited is Unit 12 Attercliffe Industrial Estate, Fell Road, Sheffield, England, S9 2AL.