Company registration number: 09812700

Enstroga Ltd

Financial statements

31 December 2019

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Enstroga Ltd

Directors and other information

Director	Mr J Muller-Bennerscheidt
Company number	09812700
Registered office	Alexandra House 43 Alexandra Street Nottingham NG5 1AY
Auditor	Hobsons CA Limited Alexandra House 43 Alexandra Street Nottingham NG5 1AY

Enstroga Ltd

Strategic report

Year ended 31 December 2019

Business review and future plans

During the current year the company's results have shown a significant increase in turnover as the company seeks to gain a foothold in the competitive electricity and gas domestic market in the UK.

In order to achieve this significant growth the company has set some competitive tariffs and this has led to a loss being reported for the year, with costs also being incurred on renewable obligations and other regulatory requirements.

The Board expects the future performance of the company to be affected by prevailing pressures on the domestic electricity and gas markets in the UK, and government policies within the general economy.

The company has continued to make significant investments in its call centre and back office systems and the Board expect to see the benefit of this in the coming years.

Analysis of key performance indicators

The Board look at turnover, margins and profitability when monitoring business performance.

Turnover has increased from £18,490,257 to £31,820,368, with a marginal reduction in gross margin. This increase in the volume of activity, together with increased costs to scale up the customer services operation had led to a loss before tax of £7,614,974 compared to a pre-tax profit of £30,228 in 2018.

The Board also consider key statement of financial position areas in order to understand the financial position of the group.

Current assets have increased in the year, although creditors have also increased substantially with the company being financed in part by financing loans from the parent undertaking in Germany.

The Board remain satisfied that the company, as supported by other companies in the wider Enstroga Worldwide group, can continue to operate as a going concern in the UK market for the foreseeable future.

Principal risks and uncertainties

The directors consider the principal financial risks to which the group is exposed are a decline in market share and the timing of receipt of customer remittances. Changes to the UK regulatory environment may also give rise to risks to the business in the electricity and gas residential market sector.

The directors' management of market share risk involves close monitoring of tariff prices in comparison to market rates and competitor prices and further development of the company's customer services team.

In relation to customer accounts, the company is exposed to the usual credit risk and cash flow risk associated with its business. Customer receipts are managed by close credit control procedures, that may involve escalation to legal routes should payment not be made within an appropriate timeframe.

This report was approved by the board of directors on 30 March 2021 and signed on behalf of the board by:

Mr J Muller-Bennerscheidt

Director

Enstroga Ltd

Director's report

Year ended 31 December 2019

The director presents his report and the financial statements of the company for the year ended 31 December 2019.

Director

The director who served the company during the year was as follows:

Mr J Muller-Bennerscheidt

Dividends

The director does not recommends the payment of a dividend.

Events after the end of the reporting period

Particulars of events after the reporting period are detailed in note 14 to the financial statements.

Disclosure of information in the strategic report.

The director has prepared a review of the business, together with a summary of the principal risks and uncertainties affecting the company, and these are detailed within the Strategic Report on page 2. The report includes an explanation of the company's financial risk management policies.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;

- make judgments and accounting estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 30 March 2021 and signed on behalf of the board by:

Mr J Muller-Bennerscheidt

Director

Independent auditor's report to the members of

Enstroga Ltd

Year ended 31 December 2019

Opinion

We have audited the financial statements of Enstroga Ltd (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, statement of financial position, 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 FRS 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 December 2019 and of its loss for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 3 'Going Concern' in the financial statements, which highlights the trading loss reported for the year and the resultant net deficit on the statement of financial position. The company is reliant on the support of its parent company in order to continue to operate, and to pay its debts as they fall due. As stated in note 3, this indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the director's report has 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 director's report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or - the financial statements are not in agreement with the accounting records and the returns; or - certain disclosures of director's 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 director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director. - Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Steven Newman LLB BFP FCA (Senior Statutory Auditor)

For and on behalf of

Hobsons CA Limited

Chartered Accountants and Statutory Auditor

Alexandra House

43 Alexandra Street

Nottingham

NG5 1AY

30 March 2021

Enstroga Ltd

Statement of income and retained earnings

Year ended 31 December 2019

	Note	2019	2018
		£	£
Turnover	4	31,820,368	18,490,257
Cost of sales		(33,072,700)	(19,420,659)
Gross loss		(1,252,332)	(930,402)
Administrative expenses		(5,923,882)	(1,882,674)
Operating loss	5	(7,176,214)	(2,813,076)
Write back of inter-company financing loan		-	2,843,304
Interest payable and similar expenses	7	(438,760)	-
(Loss)/profit before taxation		(7,614,974)	30,228
Tax on (loss)/profit	8	5,907	(5,907)
(Loss)/profit for the financial year and total comprehensive income		(7,609,067)	24,321
Retained earnings at the start of the year		37,424	13,103
Retained earnings at the end of the year		(7,571,643)	37,424

All the activities of the company are from continuing operations.

Enstroga Ltd

Statement of financial position

31 December 2019

	Note	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	**9**	267		914	
			267		914
Current assets					
Debtors	**10**	8,744,631		6,257,371	
Cash at bank and in hand		345,582		563,571	
		9,090,213		6,820,942	
Creditors: amounts falling due within one year	**11**	(16,662,023)		(6,784,332)	
Net current (liabilities)/assets			(7,571,810)		36,610
Total assets less current liabilities			(7,571,543)		37,524
Net (liabilities)/assets			(7,571,543)		37,524
Capital and reserves					
Called up share capital	**12**		100		100
Profit and loss account	**13**		(7,571,643)		37,424
Shareholders (deficit)/funds			(7,571,543)		37,524

These financial statements were approved by the board of directors and authorised for issue on 30 March 2021 , and are signed on behalf of the board by:

Mr J Muller-Bennerscheidt

Director

Company registration number: 09812700

Enstroga Ltd

Statement of cash flows

Year ended 31 December 2019

	2019	2018
	£	£
Cash flows from operating activities		
(Loss)/profit for the financial year	(7,609,067)	24,321
Adjustments for:		
Depreciation of tangible assets	647	647
Interest payable and similar expenses	438,760	-
Tax on loss/profit	-	5,907
Accrued expenses/(income)	(1,283,843)	(1,158,912)
Changes in:		
Trade and other debtors	450,666	(3,657,353)
Trade and other creditors	3,419,803	3,856,163
Cash generated from operations	(4,583,034)	(929,227)
Tax paid	(3,476)	-
Net cash used in operating activities	(4,586,510)	(929,227)
Cash flows from financing activities		
Proceeds from loans from group undertakings	4,368,521	1,378,877
Net cash from financing activities	4,368,521	1,378,877
Net increase/(decrease) in cash and cash equivalents	(217,989)	449,650
Cash and cash equivalents at beginning of year	563,571	113,921
Cash and cash equivalents at end of year	345,582	563,571

Enstroga Ltd

Notes to the financial statements

Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in United Kingdom. The address of the registered office is Alexandra House, 43 Alexandra Street, Nottingham, NG5 1AY. The principal activity of the company is the supply of gas and electricity to the residential market in the United Kingdom. The comparative year was not subject to statutory audit.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.The financial statements are prepared in sterling, which is the functional currency of the entity, rounded to the nearest £.

Going concern

The company has reported a trading loss for the year and the statement of financial position is in deficit at 31 December 2019.At the year end the Board of Enstroga Energie Holdings GmbH, the company's parent undertaking, confirmed that they would be prepared to financially support Enstroga Limited for any liabilities that the company was unable to meet for the foreseeable future, defined as being no less than one year from the date that the financial statements are signed. The director therefore considers that it is appropriate for the accounts to be prepared on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:Accruals and prepayments for unbilled customer balances and electricity purchased in advance - detailed analysis is required by the company's specialist accounts management team to estimate unbilled customer usage and to identify the value of electricity purchased in bulk and prepaid at the financial period end.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for gas and electricity supplied, stated net of Value Added Tax.

Taxation

The taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date.Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis.

Tangible assets

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fittings fixtures and equipment	-	33.3 % straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Turnover

Turnover arises from:

	2019	2018
	£	£
Supply of electricity and gas	31,820,368	18,490,257

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating loss/profit

Operating loss/profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible assets	647	647
Impairment of trade debtors	1,241,404	-
Foreign exchange differences	60,722	25,532
Fees payable for the audit of the financial statements	25,000	-

6. Other interest receivable and similar income

	2019	2018
	£	£
Partial write back of inter-company creditor	-	2,843,304

7. Interest payable and similar expenses

	2019	2018
	£	£
Loans from group undertakings	438,760	-

8. Tax on loss/profit

Major components of tax income/expense

	2019	2018
	£	£
UK current tax expense	-	5,907
Adjustments in respect of previous periods	(5,907)	-
Tax on loss/profit	(5,907)	5,907

Reconciliation of tax income/expense

The tax assessed on the loss/profit for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19.00 % (2018: 19.00%).

	2019	2018
	£	£
(Loss)/profit before taxation	(7,614,974)	30,228
(Loss)/profit multiplied by rate of tax	(1,446,845)	5,743
Adjustments in respect of prior periods	(5,907)	-
Effect of expenses not deductible for tax purposes	-	41
Effect of capital allowances and depreciation	123	123
Unrelieved tax losses	1,446,722	-
Tax on loss/profit	(5,907)	5,907

9. Tangible assets

	Fixtures, fittings and equipment	**Total**
	£	**£**
Cost		
At 1 January 2019 and 31 December 2019	1,941	1,941
Depreciation		
At 1 January 2019	1,027	1,027
Charge for the year	647	647
At 31 December 2019	1,674	1,674
Carrying amount		
At 31 December 2019	267	267
At 31 December 2018	914	914

10. Debtors

	2019	2018
	£	£
Trade debtors	2,803,683	648,617
Called up share capital not paid	100	100
Prepayments and accrued income	5,760,832	5,305,828
Other debtors	180,016	302,826
	8,744,631	6,257,371

11. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	7,569,288	4,149,485
Amounts owed to group undertakings	6,322,818	1,515,537
Accruals and deferred income	2,764,029	1,109,946
Corporation tax	5,888	9,364
	16,662,023	6,784,332

12. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No	**£**	No	£
Ordinary shares shares of £ 1.00 each	100	100	100	100

13. Reserves

Profit and loss account:This reserve records retained earnings and accumulated losses.

14. Events after the end of the reporting period

The director is fully aware of the Coronavirus pandemic and is closely monitoring its impact on the business, its customers and supply chain.The director is satisfied that the business is robust and with working capital actively managed, is confident that the pandemic will not prevent the company from continuing to serve its customers for the foreseeable future.No adjustments have been made in the accounts to reflect any implications of the pandemic on the results of the business.

15. Related party transactions

Enstroga Energie Holding GmbH is a related party as it is the parent undertaking of Enstroga Limited. During the year ended 31 December 2019 Enstroga Limited received working capital financing from the parent company.Creditors at 31 December 2019 included £6,322,818 (2018 - £1,515,537) due to Enstroga Energie Holding GmbH .

16. Controlling party

The company is a wholly owned subsidiary of Enstroga Energie Holding GmbH, a company registered in Germany.The registered office of the parent company is Tauentzienstr. 15,10789 Berlin, Germany.