

Company Registration No. 10126191 (England and Wales)

BES UTILITIES HOLDING LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

BES UTILITIES HOLDING LTD

COMPANY INFORMATION

Directors	M C Davidson A J Pilley J R Pilley (Appointed 24 August 2020)
Company number	10126191
Registered office	Parkside Stand Fleetwood Town Football Club Park Avenue Fleetwood Lancashire FY7 6TX
Auditor	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton BL1 4QR
Bankers	Lloyds Bank Plc 2-12 Lord Street Liverpool Law Courts Merchants Court Liverpool Merseyside L2 1TS
Solicitors	Weightmans LLP 3 Picadilly Place Manchester M1 3BN

BES UTILITIES HOLDING LTD

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BES UTILITIES HOLDING LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The directors present the strategic report for the year ended 30 April 2021.

Business Review

BES Utilities Holding Ltd has faced a difficult year, in the main due to unprecedented trading conditions associated with COVID-19. The group has seen total energy consumption within the portfolio decline which is primarily due to COVID-19 lockdowns.

The overall group business performance was in line with the Directors' expectations. Group turnover for the year was £79.1m (2020: £97.1m) a decrease of 18.6%. This decrease is due to the lockdowns that were enforced throughout the year. The business model and target market remain consistent with the prior year, and the business offers Fixed rate or Market Tracker products to a predominantly SME and small corporate customer base.

The financial year covered by these accounts saw the continued effect of COVID-19 lockdowns, during the lockdown period we observed a reduction in income. This alongside a delay in the reduction in industry costs resulted in difficult trading conditions for the industry and highlighted the necessity to reduce administration costs where possible. Following cost saving measures implemented we have seen the business return to a strong position and a profitable outlook for future years.

The overall balance sheet value continues to remain strong at £10.6m (2019: £10.5m) and the directors are satisfied with this, believing it places the group in a strong and stable position financially for the future.

Objectives and Strategy

The objective of the group is to deliver long term value to the owners. The Board's strategy to achieve this is based upon the following principles:

- Continued growth by continuing to offer relevant, competitively priced products into core markets, underpinned by high quality service for customers.
- Commitment to the rollout of smart metering and other industry initiatives to improve the accuracy of billing and customer experience.
- To attract, retain and develop exceptional senior managers to continuously improve the organisation's capabilities and present challenge to the dominant suppliers in the market.
- Diversification into new market segments or adjacent markets to support growth and spread risk.

BES UTILITIES HOLDING LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Principal risks and uncertainties

The group seeks to manage risk through a combination of Board oversight, operational routines, and policies and the principal risks are aggregated as follows:

Commodity risk

Commodity risk being the risk of volatility in the price of wholesale energy impacting customer margins. The group seeks to manage this risk by utilising forward energy contracts that align to the term and pricing of customer contracts.

Liquidity risk

The risk that the group is unable to meet its financial obligations due to insufficient credit or cash reserves. This is managed on a short and long term basis with reference to internal working capital strategies and access to external funding.

Credit risk

The risks of bad debt from the customer portfolio and the risk of failure of a counterparty or supplier to meet its contractual obligations. A credit onboarding process is followed for new customers, which predominantly included direct debit as the principal means of payment and trade debtors are monitored on an ongoing basis. To reduce this risk further 25 additional field agents have been subcontracted to ensure that debts can be collected on a timely basis.

Brexit risk

Following the UK leaving the European Union on 31 January 2020, uncertainty has increased surrounding the outlook of the UK economy. Although at present there appears to be minimal impact on consumer confidence, this uncertainty may ultimately impact on market confidence and as a result could potentially impact on the demand and price for products/services, which in turn may affect revenue, profit and cash flow.

Coronavirus risk

At the time of filing we are still faced with the effect of Coronavirus (COVID19). We now appear to be past the worst effects of the lockdowns and the suppression of the economy. We have observed in recent months the opening of the economy and increase in trade.

Whilst no one can predict the future impact on the economy, the company has made steps to ensure the company will emerge from the pandemic in a strong place. This includes eliminating unnecessary meetings and travel, preparations in case employees are recommended to self-isolate, implementing improved hygiene processes and protecting the company's liquidity. The company is monitoring the situation and is in continuing close liaison with both its trading partners and its employees.

From a financial perspective, the company has utilised the available payment deferral schemes offered by HM Revenue and Customs to ease cash flow and has now made significant repayments of the amounts deferred.

Industry specific risks

The UK non-domestic supply market is highly competitive, and while risk is present in all markets, this continues to be an attractive place to do business.

Operating in a regulated market opens up regulatory and political risks as well as costs, and it is a feature of normal operations that such risks, costs and changes must be accommodated, albeit that they may cause disruption and/or prices changes for customers.

The business has continued to mitigate the risks noted above through the following strategies:

- Ensuring the business has the right skills and capabilities to monitor and maintain compliance with regulatory requirements.
- Offering products that pass or share risk with end users combined with comprehensive hedging strategies to reduce exposure.

BES UTILITIES HOLDING LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Going concern

In determining whether the group's accounts can be prepared on a going concern basis, the directors considered the group's business activities together with the factors likely to affect its future development, performance, its financial position including cash flow, liquidity position, borrowing facilities and the risks and uncertainties relating to its business activities. These include the impact of COVID-19 during the year and post balance sheet and also the recoverability of related party debts. The directors regularly review these factors to ensure that any risks are recognised and managed effectively.

Financial and non-financial key performance indicators

The board reviews the group's KPIs at the monthly board meetings. These include operational and financial measurements.

The key operational KPIs for the business are customer retentions, % of customers on direct debit and bad debts written off.

Customer retentions is key to the business as losing customers results in a loss of revenue. From April 2020 to April 2021 77.56% (2020: 79.37%) of customers have been retained.

Having customers on direct debit improves the amount of debt that is collected from customers. This rose during the year to 84% at 30th April 2021 from 81% at 30th April 2020, this was fall occurred in March and April 2020 and was a direct result of the COVID-19 lockdowns. This metric has since recovered back to 86% and continues to strengthen each month.

The amount of customer debt that is written off is a significant KPI for the business as this illustrates the performance of the customer relationships team within the company. The bad debt write off has improved this year largely as a result of an increased focus of collecting customer debt, a fall from 7.5% of revenue in 2020 to 7.2% in 2021.

The company uses key financial performance indicators to monitor its business. These include the following excluding discontinued operations and exceptional items where applicable:

	2021	2020
Turnover:	£79,108,658	£97,122,717
Gross profit margin:	31.2%	26.9%
Profit/(Loss) before tax:	£39,040	(£5,013,403)
Future developments		

The group is continuing to provide commercial electricity and related services. The group expects to continue with its current activities in future periods. It is not expected that the group will be directly impacted by 'Brexit' due to the nature and market of its customer base.

On behalf of the board

M C Davidson
Director

31 January 2022

BES UTILITIES HOLDING LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The directors present their annual report and financial statements for the year ended 30 April 2021.

Principal activities

The principal activity of the company and group continued to be that of a commercial gas and electricity supplier. This activity is expected to continue in the future with no plans to venture into different markets.

Results and dividends

The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M C Davidson

A J Pilley

J R Pilley

(Appointed 24 August 2020)

BES UTILITIES HOLDING LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Directors' duties

The Directors of the group, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK companies Act 2006 which is summarised as follows;

'A director of a company must 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 shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the Company.'

The following paragraphs summarise how the Directors' fulfil their duties;

Risk Management

We provide business-critical services to our customers. As the industry changes and becomes more complex our risk environment changes. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face, and that we continue to evolve our approach to risk management.

Our People

The group is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole. People are at the heart of our the company and service provided to our customers. For our business to succeed we need to manage our people's performance and development and bring through talent whole ensuring we operate as efficiently as possible. We must also ensure we share common values that inform and guide our behaviour so we achieve our goals in the right way.

Business Relationships

Our strategy prioritises organic growth, driven by cross-selling, retaining existing customers and acquiring new customers into the Group. To do this, we need to maintain and develop strong relationships with industry partners, customers, suppliers and intermediaries.

Community and Environment

The group's approach is to use our position of strength to create positive change for the people and communities within the local area and with which we interact. We want to leverage our expertise and enable colleagues to support the communities around us.

Shareholders

The board is committed to openly engaging with our shareholders, as we recognise the importance of a continuing effective dialogue, whether with major institutional investors, private or employee shareholders. It is important to us that shareholders understand our strategy and objectives, so these must be explained clearly, feedback heard and any issues properly considered.

Employee involvement
The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

BES UTILITIES HOLDING LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Auditor

The auditor, Cowgill Holloway LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

The group presents its emissions and energy consumption below.

	2021 kWh	2020 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year	568,269	646,523
	2021 metric tonnes	2020 metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	-	-
- Fuel consumed for owned transport	224.07	59.48
	224.07	59.48
Scope 2 - indirect emissions		
- Electricity purchased	203.44	231.46
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	-	-
	427.51	290.94
Total gross emissions		
<i>Intensity ratio</i>		
Tonnes CO2e per £100,000 revenue	5.49	3.74

Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Vehicle fuel - all vehicles have a tracker fitted and we have extracted a report from the tracking software that records the miles driven by each vehicle and the emissions from that vehicle.

Electricity - we have analysed the electricity invoices received from the supplier and recorded the electricity usage.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £100,000 of revenue.

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for both staff and external meetings, to reduce the need for travel between sites. The company continues to monitor gas and electricity consumption and encouraging staff to be mindful of energy usage and environmental matters generally.

BES UTILITIES HOLDING LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

M C Davidson
Director

31 January 2022

BES UTILITIES HOLDING LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BES UTILITIES HOLDING LTD

Opinion

We have audited the financial statements of BES Utilities Holding Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 group's and the parent company's affairs as at 30 April 2021 and of the group's 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 *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.

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 group's and parent 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 auditor's 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.

BES UTILITIES HOLDING LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BES UTILITIES HOLDING LTD

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

BES UTILITIES HOLDING LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BES UTILITIES HOLDING LTD

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's license to operate. We identified the following areas as those most likely to have such an effect: laws related to energy supply activities and the regulated nature of the energy industry.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

- Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud
- Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud
- Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BES UTILITIES HOLDING LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) **TO THE MEMBERS OF BES UTILITIES HOLDING LTD**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Stansfield (Senior Statutory Auditor)
For and on behalf of Cowgill Holloway LLP

31 January 2022

Chartered Accountants
Statutory Auditor

Regency House
45-53 Chorley New Road
Bolton
BL1 4QR

BES UTILITIES HOLDING LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	2020 £
Turnover	3	79,108,658	97,122,717
Cost of sales		(54,464,425)	(70,968,172)
Gross profit		24,644,233	26,154,545
Administrative expenses		(25,154,294)	(30,608,545)
Other operating income		1,536,991	585,725
Exceptional item	4	(751,665)	(977,259)
Exceptional item	4	(100,051)	-
Exceptional items	4	(16,648)	-
Operating profit/(loss)	5	158,566	(4,845,534)
Interest receivable and similar income	9	32,970	40,721
Interest payable and similar expenses	10	(176,425)	(208,590)
Amounts written off investments	11	23,929	-
Profit/(loss) before taxation		39,040	(5,013,403)
Tax on profit/(loss)	12	87,790	899,773
Profit/(loss) for the financial year		126,830	(4,113,630)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

BES UTILITIES HOLDING LTD

GROUP BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	13	431,806		485,225	
Other intangible assets	13	1,905,358		2,177,552	
Total intangible assets		2,337,164		2,662,777	
Tangible assets	14	1,277,500		703,778	
		3,614,664		3,366,555	
Current assets					
Stocks	17	42,900		91,075	
Debtors	18	39,739,449		41,890,772	
Cash at bank and in hand		9,817,628		5,323,628	
		49,599,977		47,305,475	
Creditors: amounts falling due within one year	19	(42,627,352)		(40,211,571)	
Net current assets		6,972,625		7,093,904	
Net assets		10,587,289		10,460,459	
Capital and reserves					
Called up share capital	23	400		400	
Profit and loss reserves		10,586,889		10,460,059	
Total equity		10,587,289		10,460,459	

The financial statements were approved by the board of directors and authorised for issue on 31 January 2022 and are signed on its behalf by:

M C Davidson
Director

BES UTILITIES HOLDING LTD

COMPANY BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	15		8,193,350		8,193,350
Current assets					
Debtors	18	337,280		345,683	
Creditors: amounts falling due within one year	19	(6,269,751)		(6,276,234)	
Net current liabilities			(5,932,471)		(5,930,551)
Total assets less current liabilities			2,260,879		2,262,799
Capital and reserves					
Called up share capital	23		400		400
Other reserves	24		2,699,700		2,699,700
Profit and loss reserves			(439,221)		(437,301)
Total equity			2,260,879		2,262,799

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,920 (2020 - £276,795 loss).

The financial statements were approved by the board of directors and authorised for issue on 31 January 2022 and are signed on its behalf by:

M C Davidson
Director

Company Registration No. 10126191

BES UTILITIES HOLDING LTD

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 May 2019	400	14,573,689	14,574,089
Year ended 30 April 2020:			
Loss and total comprehensive income for the year	-	(4,113,630)	(4,113,630)
Balance at 30 April 2020	400	10,460,059	10,460,459
Year ended 30 April 2021:			
Profit and total comprehensive income for the year	-	126,830	126,830
Balance at 30 April 2021	400	10,586,889	10,587,289

BES UTILITIES HOLDING LTD

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2021

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 May 2019	400	2,699,700	(160,506)	2,539,594
Year ended 30 April 2020:				
Loss and total comprehensive income for the year	-	-	(276,795)	(276,795)
Balance at 30 April 2020	400	2,699,700	(437,301)	2,262,799
Year ended 30 April 2021:				
Loss and total comprehensive income for the year	-	-	(1,920)	(1,920)
Balance at 30 April 2021	400	2,699,700	(439,221)	2,260,879

BES UTILITIES HOLDING LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2021

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	30	6,956,280		3,170,689	
Interest paid		(176,425)		(208,590)	
Income taxes refunded		746,871		1,806	
Net cash inflow from operating activities		<u>7,526,726</u>		<u>2,963,905</u>	
Investing activities					
Purchase of intangible assets		-	(534,193)		
Proceeds on disposal of intangibles		-	(372)		
Purchase of tangible fixed assets		(1,165,003)	(509,837)		
Proceeds on disposal of tangible fixed assets		453,375	372		
Receipts arising from loans made		901,267	(335,849)		
Interest received		<u>32,970</u>	<u>40,721</u>		
Net cash generated from/(used in) investing activities			222,609		(1,339,158)
Financing activities					
Repayment of borrowings		(3,255,335)	3,255,335		
Repayment of bank loans		-	(6,416,670)		
Net cash used in financing activities			<u>(3,255,335)</u>		<u>(3,161,335)</u>
Net increase/(decrease) in cash and cash equivalents			4,494,000		(1,536,588)
Cash and cash equivalents at beginning of year			<u>5,323,628</u>		<u>6,860,216</u>
Cash and cash equivalents at end of year			<u><u>9,817,628</u></u>		<u><u>5,323,628</u></u>

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

Company information

BES Utilities Holding Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Parkside Stand, Fleetwood Town Football Club, Park Avenue, Fleetwood, Lancashire, FY7 6TX.

The group consists of BES Utilities Holding Ltd and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purpose of FRS102 and has elected to take exemption under FRS102 paragraph 1.12 (b) not to present the company statement of cashflows.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company BES Utilities Holding Ltd together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 30 April 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In determining whether the group's accounts can be prepared on a going concern basis, the directors considered the group's business activities together with the factors likely to affect its future development, performance, its financial position including cash flow, liquidity position, borrowing facilities and the risks and uncertainties relating to its business activities. These include the impact of COVID-19 during the year and post balance sheet and also the recoverability of related party debts. The directors regularly review these factors to ensure that any risks are recognised and managed effectively.

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

1.4 Turnover

Turnover represents the fair value of the consideration received or receivable from the sale of actual and estimated gas and electricity supplied during the period, net of VAT and discounts. For gas and electricity supplied, the turnover is recognised on consumption. Due to the inherent nature of both the gas and electricity supply industry and its reliance upon estimated meter readings, gas and electricity turnover includes the directors' best estimate of differences between estimated sales and billed sales. The company makes estimates of customer gas and electricity consumption based on available industry data, and also seasonal usage curves that have been estimated through historical actual usage data.

Also included in turnover is other income arising from late payment fees and other site works and disconnection costs which are charged to the Company's customers.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	25% p.a. straight line
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1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% on a straight line basis
Plant and equipment	6.67% p.a. straight line basis following installation
Fixtures and fittings	15% p.a. reducing balance basis
Computer equipment	25% p.a. reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Turnover and cost of sales

Turnover derived from the supply of gas includes an estimate of the value of gas and electricity supplied to customers between the date of the last meter reading and the end of the reporting period. Estimation of the number of units consumed but not yet processed through the settlement process are based on industry data until final reconciliation data is received.

Similarly purchase volumes are also subject to the same degree of estimation, with associated settlement costs dependent on the receipt of final reconciliation data.

Financial instruments

Trade and other debtors/ creditors which have no stated interest rate, do not constitute a financing transaction, and are due to be settled within one year and as such are initially and subsequently measured at the undiscounted amount of consideration expected to be received, net of impairment.

The group has long term commercial contracts in place for the purchase of gas and electricity. On the grounds that these contracts are held for the purpose of the delivery of a non-financial item in accordance with the group's expected purchase and sale requirements, the own use exemption has been applied. As a result, the agreements do not fall within the scope of Section 12 of FRS102 and are not accounted for as derivatives.

Impairment of trade debtors

Trade debtors are stated net of the allowance for the impairment of bad and doubtful debts. Debtor balances are provided against based on the date the invoice is raised. Receivables are categorised based on customer and account type, attributing varying risk profiles to each possibility. The percentages applied to each category of aged receivables is based on the average loss for that category, based on historic experience.

ROC recycle

Renewable Obligation Certificates (ROCs) are certificates used by suppliers to demonstrate that they have met their renewable obligations. The value of a ROC is determined by the buy out price, set by the market, and a recycle element of the final ROC value determined once all energy suppliers have demonstrated either compliance or non-compliance. The group estimates a recycle value based on industry data relating to the total output of renewable energy in the UK, generation capacity and demand, until a final value is determined.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Provision of utilities	76,655,139	95,489,190
Provision of metering services	2,453,519	1,633,527
	<u>79,108,658</u>	<u>97,122,717</u>

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

3 Turnover and other revenue		(Continued)	
	2021	2020	
	£	£	
Other significant revenue			
Interest income	32,970	40,721	
Grants received	1,536,991	385,725	
	<u>1,569,961</u>	<u>426,446</u>	
	2021	2020	
	£	£	
Turnover analysed by geographical market			
United Kingdom	79,108,658	97,122,717	
	<u>79,108,658</u>	<u>97,122,717</u>	
4 Exceptional item			
	2021	2020	
	£	£	
Expenditure			
Non Trade legal costs	751,665	977,259	
Redundancy costs	100,051	-	
Vehicle cancellation fees	16,648	-	
Pre-acquisition costs	143,308	-	
	<u>1,011,672</u>	<u>977,259</u>	

Non-trade legal fees have been incurred in relation to ongoing legal matters and the costs are defined as exceptional on the basis they have not been incurred as a result of regular trade.

Redundancy costs are considered exceptional as they arose as a direct result of Covid-19 and subsequent restructuring of teams.

During the year pre-acquisition costs (payroll and engineers expenses) of £143,308 which had been paid and expected to be recovered from a 3rd party. This has been written off to the profit and loss account as irrecoverable in 2021.

Vehicle cancellation fees were incurred as a result of the cancellation an order place for the purchase of vans as a result of Covid-19.

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

5 Operating profit/(loss)

	2021 £	2020 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(1,536,991)	(385,725)
Depreciation of owned tangible fixed assets	103,344	59,187
Loss on disposal of tangible fixed assets	34,562	-
Amortisation of intangible assets	325,613	321,161
(Profit)/loss on disposal of intangible assets	-	372
Operating lease charges	522,845	571,743

Government grants received in the year related to claims made for the Coronavirus Job Retention Scheme.

6 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	7,500	7,500
Audit of the financial statements of the company's subsidiaries	37,500	52,500
	45,000	60,000

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Staff	252	363	-	-
Directors	2	2	-	-
Total	254	365	-	-

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	8,238,759	9,173,000	-	-
Social security costs	830,437	969,483	-	-
Pension costs	121,675	229,494	-	-
	9,190,871	10,371,977	-	-

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

8	Directors' remuneration	2021	2020
		£	£
	Remuneration for qualifying services	448,800	448,800
	Remuneration disclosed above includes the following amounts paid to the highest paid director:		
		2021	2020
		£	£
	Remuneration for qualifying services	224,400	224,400
9	Interest receivable and similar income	2021	2020
		£	£
	Interest income		
	Interest on bank deposits	-	13,664
	Other interest income	32,970	27,057
	Total income	32,970	40,721
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	-	13,664
10	Interest payable and similar expenses	2021	2020
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	1,940	159,161
	Other interest on financial liabilities	136,986	38,920
		138,926	198,081
	Other finance costs:		
	Other interest	37,499	10,509
	Total finance costs	176,425	208,590
11	Amounts written off investments	2021	2020
		£	£
	Amounts written back to current loans	23,929	-

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

12 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	(45,005)	-
Adjustments in respect of prior periods	106,727	(975,161)
Total current tax	61,722	(975,161)
Deferred tax		
Origination and reversal of timing differences	(149,512)	75,388
Total tax credit	(87,790)	(899,773)

The actual credit for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit/(loss) before taxation	39,040	(5,013,403)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	7,418	(952,547)
Tax effect of expenses that are not deductible in determining taxable profit	10,757	14,997
Tax effect of utilisation of tax losses not previously recognised	(120,646)	-
Unutilised tax losses carried forward	-	241,635
Change in unrecognised deferred tax assets	102,859	-
Adjustments in respect of prior years	106,727	(226,855)
Group relief	(174,880)	13,692
Depreciation on assets not qualifying for tax allowances	5,045	-
Amortisation on assets not qualifying for tax allowances	10,150	9,305
Research and development tax credit	(40,944)	-
Other tax adjustments	5,724	-
Taxation credit	(87,790)	(899,773)

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

13 Intangible fixed assets

Group	Goodwill	Software	Total
	£	£	£
Cost			
At 1 May 2020 and 30 April 2021	534,193	4,443,175	4,977,368
Amortisation and impairment			
At 1 May 2020	48,968	2,265,623	2,314,591
Amortisation charged for the year	53,419	272,194	325,613
At 30 April 2021	102,387	2,537,817	2,640,204
Carrying amount			
At 30 April 2021	431,806	1,905,358	2,337,164
At 30 April 2020	485,225	2,177,552	2,662,777

The company had no intangible fixed assets at 30 April 2021 or 30 April 2020.

14 Tangible fixed assets

Group	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 May 2020	240,031	213,290	131,114	937,504	1,521,939
Additions	666,718	443,613	36,015	18,657	1,165,003
Disposals	(453,375)	-	(47)	(322,581)	(776,003)
At 30 April 2021	453,374	656,903	167,082	633,580	1,910,939
Depreciation and impairment					
At 1 May 2020	-	132	80,386	737,643	818,161
Depreciation charged in the year	28,591	12,713	10,272	51,768	103,344
Eliminated in respect of disposals	-	-	(47)	(288,019)	(288,066)
At 30 April 2021	28,591	12,845	90,611	501,392	633,439
Carrying amount					
At 30 April 2021	424,783	644,058	76,471	132,188	1,277,500
At 30 April 2020	240,031	213,158	50,728	199,861	703,778

The company had no tangible fixed assets at 30 April 2021 or 30 April 2020.

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

15 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	16	-	-	8,193,350	8,193,350
Movements in fixed asset investments					
Company					Shares in subsidiaries £
Cost or valuation					
At 1 May 2020 and 30 April 2021					8,193,350
Carrying amount					
At 30 April 2021					8,193,350
At 30 April 2020					8,193,350

16 Subsidiaries

Details of the company's subsidiaries at 30 April 2021 are as follows:

Name of undertaking	Address	Class of shares held	% Held	
			Direct	Indirect
BES Commercial Electricity Ltd	1	Ordinary £1 shares	100.00	-
Business Energy Solutions Ltd	1	Ordinary £1 shares	100.00	-
Smart Choice Metering Limited	1	Ordinary £1 shares	100.00	-
AI Home Services Limited	1	Ordinary £1 shares	0	100.00
AI Asset Provider Limited	1	Ordinary £1 shares	0	100.00

Registered office addresses (all UK unless otherwise indicated):

1 Parkside Stand, Fleetwood Town Football Club, Park Avenue, Fleetwood, FY7 6TX

17 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	42,900	91,075	-	-

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

18 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	7,068,611	10,435,644	-	-
Unpaid share capital	100	100	100	100
Corporation tax recoverable	969,945	1,808,806	-	-
Amounts owed by group undertakings	-	-	337,180	345,583
Other debtors	30,741,457	28,696,431	-	-
Prepayments and accrued income	803,556	943,523	-	-
	<u>39,583,669</u>	<u>41,884,504</u>	<u>337,280</u>	<u>345,683</u>
Deferred tax asset (note 21)	155,780	6,268	-	-
	<u>39,739,449</u>	<u>41,890,772</u>	<u>337,280</u>	<u>345,683</u>

19 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Other borrowings	20	-	3,255,335	-	-
Trade creditors		9,863,905	9,621,117	-	-
Amounts owed to group undertakings		-	-	6,220,676	6,220,776
Corporation tax payable		390,962	421,230	49,075	47,958
Other taxation and social security		5,837,199	3,831,615	-	-
Other creditors		26,365,004	23,036,964	-	-
Accruals and deferred income		170,282	45,310	-	7,500
		<u>42,627,352</u>	<u>40,211,571</u>	<u>6,269,751</u>	<u>6,276,234</u>

The company has a debenture in favour of Axpro Solutions AG which consists of a fixed and floating charge over the assets of the group.

This debenture covers the amounts due to Axpro Solutions AG of the group (included within trade creditors. At the balance sheet date the potential gross amount due to Axpro Solutions AG under this debenture was £7,584,152 (2020: £10,124,434).

20 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Other loans	-	3,255,335	-	-
	<u>-</u>	<u>3,255,335</u>	<u>-</u>	<u>-</u>
Payable within one year	-	3,255,335	-	-
	<u>-</u>	<u>3,255,335</u>	<u>-</u>	<u>-</u>

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Assets 2021 £	Assets 2020 £
Group		
Accelerated capital allowances	4,227	4,211
Tax losses	148,557	-
Retirement benefit obligations	2,996	2,057
	<u>155,780</u>	<u>6,268</u>

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
Movements in the year:		
Asset at 1 May 2020	(6,268)	-
Credit to profit or loss	(149,512)	-
Asset at 30 April 2021	<u>(155,780)</u>	<u>-</u>

The deferred tax asset set out above is expected to reverse and relates to the utilisation of accelerated capital allowances and retirement benefit obligations against future expected profits of the same period.

22 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	121,675	229,494

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and not fully paid				
Ordinary shares of £1 each	400	400	400	400

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

24 Merger reserve

Company	£
At the beginning of the prior year	2,699,700
At the end of the prior year	2,699,700
At the end of the current year	2,699,700

The merger reserve was recognised on consolidation of the subsidiaries into the BES Utilities Holdings group on 30 September 2017. The merger reserve equated to the value of assets acquired above the nominal value of the share capital.

During September 2018 3 separate tranches of deferred shares totalling £5,700,000 were issued (as a bonus issue), from the merger reserves. These additional shares were subsequently cancelled, resulting in a credit of £5,700,000 to retained profit and loss reserves.

25 Financial commitments, guarantees and contingent liabilities

In the previous year the group had entered into an unlimited cross guarantee covering the borrowings of all group companies and a related party, Commercial Power Ltd, in favour of Lloyds Bank plc. At the balance sheet date the potential added liability for the group under these cross guarantees is £Nil (2020: £Nil).

At the balance sheet date the potential added liability for the company under these cross guarantees is £Nil (2020: £Nil).

The group had committed at the year end to purchase wholesale electricity totalling £18,203,908 (2020: £12,526,274) and to sell wholesale electricity totalling £93,803 (2020: £154,272).

The group had committed at the year end to purchase wholesale gas totalling £11,228,611 (2020: £12,114,454) and to sell wholesale gas totalling £15,730 (2020: £Nil).

The commitment to purchase wholesale gas and electricity extends to October 2023 (2020: September 2023).

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	311,296	242,762	207,881	207,881
Between two and five years	476,046	609,716	95,421	303,301
	<u>787,342</u>	<u>852,478</u>	<u>303,302</u>	<u>511,182</u>

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	448,800	448,800

Transactions with related parties

Other information

During the year the company has recognised energy commissions and other staff costs due to Commercial Power Limited, a company under common control, of £9,232,713 (2020: £9,007,359) within expenses and recharged £431,863 (2020: £121,724) for various services. During the year £280,000 was repaid to Commercial Power Limited (2020 advanced: £5,050,000). There are no official repayment terms, however it is expected to be repaid over a number of years and is non-interest bearing. At the year end an amount of £7,843,001 (2020: £10,316,367) was owed from Commercial Power Limited, this amount is included within other debtors.

During the year the group has recognised various managed services due to Fleetwood Wanderers Limited, a company under common control, of £1,201,830 (2020: £1,044,345) within expenses and recharged £114,924 (2020: £103,168) for vehicle costs and gas. During the year £Nil (2020: £75,000) was repaid by Fleetwood Wanderers Limited, there are no official repayment terms, however it is expected to be repaid over a number of years and is non-interest bearing. At the year end an amount of £1,143,023 (2020: £1,406,898) was owed by Fleetwood Wanderers Limited, this amount is included within other debtors.

At the year end an amount of £8,083,700 (2020: £8,083,700) was owed from Jaymel Limited, this amount is included within other debtors. There are no official repayment terms, however it is expected to be repaid over a number of years and is non-interest bearing.

During the year the group has recognised accommodation services due to Breck Apartments LLP, a partnership under common control, of £Nil (2020: £1,200). At the year end an amount of £300 (2020: £Nil) was owed to Breck Apartments LLP, this amount is included within other creditors.

During the year the group recognised various services due to Card Saver Limited, a company under common control, of £934 (2020: £383,935) and recharged vehicle and various other costs amounting to £398,556 (2020: £41,615). During the year there was an intergroup transfer of £1,233,328 (2020: £Nil). At the year-end an amount of £2,108,244 (2020: £3,978,063) was owed from Card Saver Limited, this amount is included within other debtors. There are no official repayment terms, however it is expected to be repaid over a number of years and is non-interest bearing.

During the year the group has recharged £11,825 (2020: £10,677) for various services to The Leisure Channel Ltd, a company under common control, and has been charged for various services of £Nil (2020: £5,495). At the year end an amount of £32,483 (2020: £20,880) was owed from The Leisure Channel Ltd, this amount is included within other debtors.

During the year the group has recognised various managed services due to CX International PTY, a company under common control, of £1,067,656 (2020: £538,813) within expenses and recharged £6,257 (2020: £5,108) for various services. At the year end an amount of £12,387 (2020: £6,129) was owed from DBC International PTY.

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

28 Directors' transactions

Advances or credits have been granted by the group to its directors as follows:

Included within accruals is interest payable to the directors at a rate of 10% p.a. (2020: 10%) on any balances owed to them throughout the year. During the year interest of £14,523 (2020: £38,920) was incurred and interest of £Nil (2020: £72,947) was transferred from a related party company. As at the year end accrued interest amounted to £126,390 (2020: £111,867).

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Directors loan	2.25	877,338	215,786	25,221	(1,153,778)	(35,433)
		<u>877,338</u>	<u>215,786</u>	<u>25,221</u>	<u>(1,153,778)</u>	<u>(35,433)</u>

29 Controlling party

The ultimate controlling party is deemed to be A J Pilley by virtue of his majority shareholding.

30 Cash generated from group operations

	2021 £	2020 £
Profit/(loss) for the year after tax	126,830	(4,113,630)
Adjustments for:		
Taxation credited	(87,790)	(899,773)
Finance costs	176,425	208,590
Investment income	(32,970)	(10,721)
Loss on disposal of tangible fixed assets	34,562	-
(Gain)/loss on disposal of intangible assets	-	372
Amortisation and impairment of intangible assets	325,613	321,161
Depreciation and impairment of tangible fixed assets	103,344	59,187
Other gains and losses	(23,929)	-
Movements in working capital:		
Decrease/(increase) in stocks	48,175	(91,075)
Decrease/(increase) in debtors	459,571	(3,419,480)
Increase in creditors	5,826,449	11,146,058
Cash generated from operations	<u>6,956,280</u>	<u>3,170,689</u>

BES UTILITIES HOLDING LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

31 Analysis of changes in net funds - group

	1 May 2020 £	Cash flows £	30 April 2021 £
Cash at bank and in hand	5,323,628	4,494,000	9,817,628
Borrowings excluding overdrafts	(3,255,335)	3,255,335	-
	<u>2,068,293</u>	<u>7,749,335</u>	<u>9,817,628</u>

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.